

**THE DEPARTMENT OF LABOR'S VETERANS
EMPLOYMENT AND TRAINING SERVICE**

HEARING

BEFORE THE

**COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES**

**SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
ONE HUNDRED NINTH CONGRESS**

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OVERSIGHT HEARING ON THE DEPARTMENT OF LABOR'S VETERANS EMPLOYMENT AND TRAINING SERVICE

THURSDAY, MAY 12, 2005

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The Subcommittee met, pursuant to call, at 2:20 p.m., in Room 334, Cannon House Office Building, Hon. John Boozman [Chairman of the Subcommittee] Presiding.

Present: Representatives Boozman and Herseth.

OPENING STATEMENT OF CHAIRMAN BOOZMAN

MR. BOOZMAN. Good afternoon. The Economic Opportunity Subcommittee hearing on the performance of the Veterans Employment and Training Service will come to order.

As I said in our first meeting, this Committee has a very simple mission -- to promote jobs for veterans. It is a simple concept, but one which takes a great deal of effort on the part of several governmental agencies. VA's Voc Rehab program is designed to put veterans into jobs. The Veterans Employment and Training Service is about putting veterans into jobs. The President's National Hire Veterans Committee is about the business advantages of promoting veterans to corporate executive suites. The Uniformed Services Employment and Reemployment Rights Act is about jobs for veterans. Veterans Preference is about Federal jobs for veterans.

Last week, I said this Subcommittee will focus primarily on two programs, VA's Voc Rehab and Employment and the Department of Labor's Veterans Employment and Training Service. In our first hearing we took testimony on VA's Voc Rehab and Employment program. I think they are making progress on revamping what should be the VA's crown jewel of programs, but they have significant work to do, especially in terms of measuring outcomes.

Additionally, Committee staff from both sides of the aisle have met off-site with senior management, VR&E and VETS to explore ways to increase integration of their operations. I believe the two agencies are preparing a joint master plan to further that goal and will provide it to the Subcommittee early in June.

Today, we are here to conduct oversight of the Veterans Employment and Training Service, or VETS. With a budget of about \$200 million, VETS administers the State grant program to support State employment agencies, Disabled Veterans Outreach Program Specialists and Local Veterans Employment Representatives, or the DVOPS and LVERs programs, and the Homeless Veterans Reintegration Program, or HVRP.

Today, we are here to learn about the overall performance of VETS. However, in the near future, I intend to hold separate hearings on the DVOP/LVER program and HVRP because of their importance. I anticipate further joint work with the Small Business Committee to further opportunities for veterans in the area of entrepreneurship. Additionally, I have scheduled a site visit to Norfolk, Virginia in mid-June to observe a Transition Assistance class.

Before we hear from the first panel, I want to express my disappointment with the Department of Labor concerning its duties under Title 38. Chapter 41, among other things, requires an annual report on VETS activities. This report is due to Congress each February. Unfortunately, we have yet to receive the report. As a matter of fact, the Department of Labor has not submitted the report since 2000. I sincerely hope that VETS's failure to keep Congress informed is not indicative of its commitment to finding jobs for veterans.

The President, with No Child Left Behind and many of his other initiatives, has truly stressed accountability. I am accountable every 2 years, as is the rest of the panel, we are accountable to the voters. How are we to know what is going on if we don't get the reports.

So we are going to get the reports. We are going to work it out.

I want to emphasize that I am open to new ideas and new ways to ensure that veterans are properly prepared for, enter, and remain in good jobs. I hope that today's panel will bring some new thinking with them.

I know our Ranking Member, Ms. Stephanie Herseth from South Dakota, has a serious interest in the topic. I now recognize her for any remarks she may have.

OPENING STATEMENT OF HON. HERSETH

Ms. HERSETH. Mr. Chairman, thank you very much.

And good afternoon. Good to see so many of you again.

Mr. Chairman, thank you for holding this hearing to examine the efforts, accomplishments and challenges of the Department of Labor

Veterans Employment and Training Service. Indeed, the employment services and protections provided by VETS are critically important to service members, veterans and military families as they seek success in the civilian workforce.

Mr. Chairman, I am confident that your steady, bipartisan leadership of this Subcommittee will provide a means for robust oversight over these important programs. The men and women who wear the uniform in defense of this country deserve nothing less than a top-quality employment service as well as rigorous enforcement of reemployment laws.

The State of South Dakota has a number of National Guard and Reserve units activated in support of operations in Iraq and Afghanistan. I am afraid this situation may continue for some time.

As you may suspect, I am very concerned and interested in VETS efforts with respect to providing outreach and transition services to returning Guard and Reserve personnel, including any special efforts to assist rural service personnel.

I am also interested in examining whether VETS believes it has the necessary resources and staffing to provide sufficient and timely services under its broad mission. It appears to me that while the demand has grown for services, that the budget request has remained relatively level.

Finally, Mr. Chairman, VETS has responsibility for many important programs that can assist veterans in receiving training, gain skills and obtain quality employment. I look forward to hearing more about these initiatives, such as Licensing and Certification, Homeless Veterans Reintegration Program, Apprenticeship and On-the-Job Training and the National Veterans Training Institute.

I welcome all the witnesses today and thank you for your testimony. Your assistance and guidance provide important insight into often complicated subject matter.

Thank you, Mr. Chairman.

MR. BOOZMAN. Thank you. Let us go ahead and get started.

The members of the first panel include Mr. Rick Weidman, Vietnam Veterans of America; Mr. Rick Jones, AMVETS; Mr. Jim Magill, VFW; Mr. Peter Gaytan from the American Legion; Carl Blake, Paralyzed Veterans of America; and Brian Lawrence, Disabled American Veterans.

STATEMENTS OF RICHARD JONES, NATIONAL LEGISLATIVE DIRECTOR, AMVETS; JAMES N. MAGILL, DIRECTOR, NATIONAL EMPLOYMENT POLICY, VETERANS OF FOREIGN WARS OF THE UNITED STATES; CARL BLAKE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; BRIAN E. LAWRENCE, ASSISTANT NATIONAL LEGISLATIVE DIRECTOR, DISABLED

**AMERICAN VETERANS; PETER GAYTAN, DIRECTOR,
VETERANS AFFAIRS AND REHABILITATION, THE
AMERICAN LEGION; AND RICHARD WEIDMAN, DIRECTOR OF GOVERNMENT RELATIONS, VIETNAM VETERANS OF AMERICA**

MR. BOOZMAN. Mr. Jones.

STATEMENT OF RICHARD JONES

MR. JONES. Certainly, Chairman Boozman, Ranking Member Hersheth. Thank you for your invitation.

AMVETS is very pleased to be here and wants you to know we share your concern about accountability. With thousands of veterans returning home from the global war on terrorism each and every day, addressing the employment situation of veterans in a positive way is a national priority.

The Department of Labor's Veterans Employment and Training Service administers two primary programs, the Disabled Veterans Outreach Program and the Local Veterans Employment Representatives program. Each assists not only veterans, but also helps Reservists and Guardsmen, who we recognize as playing an OPTEMPO role in the total force in today's national defense.

For decades, these DVOPs and LVERs have been the cornerstone of employment services for veterans. DVOP and LVER staff are front-line providers for services to veterans. In our view, the folks who manage these jobs should be veterans.

I want to give you an example found within our own organization of veterans advocating for veterans. The AMVETS Department of Ohio developed and fully operates a 501(c)3 career center designed to assist veterans in their career needs. The AMVETS Career Center now provides a range of services helping veterans learn more about computers, business math, business grammar, business management and whatever is important to refresh or upgrade their skills for gainful employment.

The AMVETS Career Center provides these services to veterans who are homeless, unemployed or underemployed, those who want to prepare for a new career or a better job. To recently separated veterans who are making the transition to the civilian workforce, the center also provides nonveterans an opportunity to upgrade their skills for a modest fee; and the cost for veterans is zero, there is no cost for veterans.

Mr. Chairman, this is just one example of the fine work veterans do for their fellow veterans. They have a natural attachment to the veteran and play a pivotal role in making sure veterans who come back to their hometowns have every advantage to excel and be part

of the local workforce.

On a related point, AMVETS is particularly disappointed that a proposal to transfer the Veterans Employment and Training Service (VETS) from the Department of Labor to VA is still being discussed. We have testified in opposition to such a shift, and we remain strongly opposed. Shifting VETS to VA from DOL will not improve the employment situation. DOL knows the job market. They know the skills that are required to fill a job beyond any other executive department.

Frankly, VA has its own challenges with resource needs to address veterans' health care and backlogs in the claims processing. Therefore, we do not believe that moving VETS to VA is a proper or wise move, and we hope that you will continue to agree with us on this as you have in the past.

A word about the budget: We are encouraged by the administration's recommended increase in VETS programming, and we ask for your strong commitment in supporting adequate funding in the final appropriations for the new year.

Mr. Chairman, this concludes my statement. I look forward to any questions you might have.

[The statement of Richard Jones appears on p. 47.]

MR. BOOZMAN. Mr. Magill, you are recognized. I might just mention that you are going to be retiring in June, or moving on?

MR. MAGILL. Yes, sir, I think my last day is going to be the end of July.

MR. BOOZMAN. Good. If we don't see you between now and then it has really been a pleasure working with you. Hopefully, we will have you over here for something.

MR. MAGILL. I am sure you will.

MR. BOOZMAN. But like we said, we appreciate your service.

STATEMENT OF JAMES N. MAGILL

MR. MAGILL. Thank you. That came as quite a surprise, a pleasant surprise. Thank you.

As representatives of the VFW travel throughout our Nation and visit military installations overseas, one of the most frequently expressed concerns is whether the military personnel will be able to transfer their skills to another job when they are released from active duty or when they retire. The VFW is also hearing from veterans who already have retired and realize now that they need additional retirement income. They too are concerned about the possibility of not being able to find employment.

Veterans deserve and have earned an employment program ded-

icated specifically for them. They currently have such a program. While the VFW does not believe that the system is broken, we do believe it can and must be improved.

The VFW supported the provisions of the Jobs for Veterans Act as it provided a crucial element for vets to be successful, that being “accountability.” while progress is being made to implement Public Law 107-288, there are still no clear, well-defined performance standards that can be used to compare one State to another or, for that matter, one office to another office with in that State.

Even where such standards have been produced, VETS and its regional administrators have almost no authority to reward a good job or impose penalties for poor performance. The only real authority, although seldom used, is the power to recapture funds when a State is in violation of law. The VFW believes this course of action could ultimately prove detrimental to the veteran. It should only be used as a last resort.

For several years, many have seen a need for standards to be put in place for Disabled Veterans Outreach Program specialists, or DVO-Ps, and the Local Veterans Employment Representatives, or LVERs. Addressing this need, VETS initiated performance measures in 2002 that applied to all veterans served by the public labor exchange. The same performance measures were later applied to DVOPs and LVERs. These reforms are essential for a viable and accountable veterans placement program which meets congressional intent.

The VFW believes VETS must complete its development of meaningful and enforceable performance standards and reward States that exceed established standards by providing additional funding. Public Law 107-288 authorizes VETS to provide cash and other incentives to individuals, but not entities. Congress should amend this law so such entities, such as career One-Stop, may be recognized.

Another area that I would like to address is the National Veterans Training Institute. The NVTI is administered by staff from VETS through a contract currently with the University of Colorado at Denver. NVTI trains Federal and State employees and managers who provide direct employment and training to veterans and the armed services personnel. The NVTI curriculum offers courses for staff of the DVOP and LVER in core professional skills, marketing and accessing the media, case management, vocational rehabilitation and employment program support, and facilitation of Transition Assistance Program, TAP, workshops.

Congress must continue to fund the NVTI at a level to ensure training is continued, as well as expand it to State and Federal personnel who provide direct employment and training services to veterans and service members in an ever-changing environment.

In closing, Mr. Chairman, I would like to comment on the administration proposal known as “WIA Plus.” this proposal would fund the

DVOP/LVER plan through a block grant to be used at the discretion of State governors. The grant would be administered by the Employment and Training Administration, thus resulting in VETS having to relinquish all control and administration of the DVOP/LVER programs. This proposal has the potential to ultimately lead to the dismantling of both the DVOP/LVER programs, as well as VETS itself.

The VFW believes VETS is the proper office to continue administering and providing oversight to this crucial veterans' program. Therefore, the VFW strongly opposes WIA Plus.

This concludes my statement.

[The prepared statement of James Magill appears on p. 54.]

MR. BOOZMAN. Mr. Blake.

STATEMENT OF CARL BLAKE

MR. BLAKE. Chairman Boozman, Ranking Member Herseth, PVA would like to thank you for the opportunity to testify today on the Department of Labor's Veterans Employment Training Service. I will limit my remarks to just a couple of the key programs that VETS administers.

The TAP and DTAP programs generally are the first service that a separating service member will receive related to employment. These programs offer job-search assistance and related services. TAP consists of a comprehensive 3-day group of workshops at selected military installations both in the United States and in overseas installations.

The DTAP was established for service members who are leaving the military with a service-connected disability. This program is meant to include not only the normal 3-day TAP sessions, but also individual instruction to help determine job readiness for the candidate, as well as address the special needs of disabled veterans.

Although PVA believes that TAP has been a successful program, there remains more to be done. Continuing emphasis on conducting these programs at overseas installations is a must. PVA also believes the DTAP program has not achieved the same level of success that the TAP program has.

PVA members are more likely to get transition services from a DTAP program, because they are exiting the military through the medical retirement process. However, many times, severely disabled veterans needing DTAP services fall through the cracks, especially spinal cord-injured veterans, who may already be getting health care and rehabilitation at a VA spinal cord injury center, or even at a private facility although they may still be on active duty. Because these individuals are no longer on or near a military installation, they are

often forgotten in the transition assistance process.

While a service member may be at a VA medical facility, they are still assigned to the nearest military installation as a medical hold-over. It is incumbent upon VETS to ensure that the necessary staff go to the medical facility, whether it is a VA facility or private facility, to ensure that these severely disabled service members get the services they deserve.

The Homeless Veteran Reintegration Program, as I previously testified, is one of the most cost-effective and cost-efficient programs in the Federal Government. In spite of its success, it remains severely underfunded. PVA is a member of the National Coalition for Homeless Veterans and supports the need to expand funding from the \$22 million recommended level in the President's budget request for this year to the \$50 million authorized level that was included in the bill that was considered by this Committee last week.

Perhaps the most important services provided by VETS are done by DVOP coordinators and LVER. PVA, along with many of the other veterans service organizations, worked for years to have clear performance standards put in place for both DVOP and LVER staff. In 2002, VETS initiated limited performance measures, based on the rates of employment and retention.

Following the enactment of the Jobs for Veterans Act, VETS began implementing more focused methods for DVOP and LVER staff. These changes were meant to emphasize the place of severely disabled veterans and other veterans facing barriers to employment to avoid some forms of cherry-picking. Though it is unpleasant to accept, when someone's job is at risk, human nature may cause the employment specialist to select the easy placement over the one that may require more effort.

The revision of the duties of DVOP and LVER specialists in the Jobs for Veterans Act and the continuing efforts of VETS to establish meaningful performance standards are essential to the reinforcement of the services they provide. PVA welcomes these changes as they are essential to a viable job placement service.

PVA does have some concerns about the effect of proposed changes to the grant program that funds a DVOP and LVER staff. We are particularly concerned about the proposals that would provide a consolidated grant to the States for employment service programs, as Mr. Magill mentioned, the WIA Plus. The governors would then be given the authority to distribute grant money to any employment program they administer with no clear specification for priority of services. Although the Jobs for Veterans Act reaffirmed the priority of service to veterans and disabled veterans in employment service centers, PVA has seen no accountability measures proposed that would ensure that States adhere to this priority.

PVA believes that DVOP and LVER staff positions will be at risk

of being eliminated if funding for DVOP specialists and LVERs is consolidated with other employment programs. It would be easy for these positions to be eliminated in favor of other employment services that the governor may deem to be similar to those being provided by DVOP and LVER.

PVA looks forward to working with this Subcommittee to ensure that veterans have access to the employment services that they have earned and deserve.

I would be happy to answer any questions that you might have.

Thank you, Mr. Chairman.

MR. BOOZMAN. Thank you.

[The prepared statement of Carl Blake appears on p. 59.]

MR. BOOZMAN. Mr. Lawrence.

STATEMENT OF BRIAN E. LAWRENCE

MR. LAWRENCE. Thank you, Mr. Chairman.

Chairman Boozman, Ranking Member Herseth, on behalf of the Disabled American Veterans, thank you for the opportunity to testify on the needs and performance of the Department of Labor's Veterans Employment and Training Service, VETS.

VETS was established to help disabled veterans to overcome challenges they face when seeking employment after completing service in the Armed Forces. As you know from my written statement, the DAV is pleased with the overall performance of VETS, but with the cooperation of the VETS staff, we have identified areas for improvement.

We look forward to working with VETS throughout the upcoming months to ensure its programs are functioning at the highest possible level of efficiency and effectiveness. Reaching this goal will require adequate funding.

At a time when the budgetary issues weigh heavily on every government agency, the utmost scrutiny must be afforded to each request for greater resources. This is an instance, however, when expenditures should be considered an investment. Helping disabled veterans obtain self-sufficiency is not only the right thing to do, it is the smart thing to do from an economic standpoint. Veterans who are employed contribute to the economy.

Studies have shown that the GI Bill provided a tremendous, immeasurable boost to the Gross Domestic Product. The DAV believes that investment in VETS programs now will produce similar results for decades to come. It is, thusly, important we ensure VETS remains in existence to fulfill its mission.

The DAV believes an unintended consequence of the proposed WIA

Plus legislation is the eventual abolishment of that. WIA Plus would provide funding for DVOP/LVERs through a "consolidated grant." Once the funding is established thus, VETS will lose all oversight as to how the money is actually spent. WIA Plus would give VETS "sign-off" authority on State plans, but thereafter the Employment and Training Administration, or ETA, would control the grant and the oversight that comes with it.

The DAV has no confidence that ETA would ensure responsibilities assigned to DVOP/LVERs personnel are exclusively dedicated to serving veterans. It was the lack of services dedicated to the unique needs of veterans that led to the creation of VETS in the first place. DAV is concerned that certain State employment centers have already assigned duties that are inconsistent with the VETS mission.

The DAV wants VETS to have strong oversight authority to ensure that DVOP/LVER personnel remain focused on helping disabled veterans receive the maximum level of employment opportunities.

Mr. Chairman, that concludes my statement, but I would like to add, before closing, that the DAV is encouraged by the bipartisan efforts of the Subcommittee and the efforts that you have made to improve economic opportunities for veterans.

Like the Subcommittee, members of the DAV fall on both sides of the political spectrum, yet we recognize that taking care of disabled veterans should be among the Nation's highest priorities. Such a solemn responsibility has no room for political ambitions, and we are pleased that the Subcommittee conducts business in such a manner.

On behalf of our 1.2 million members, we thank you.

MR. BOOZMAN. Thank you, Mr. Lawrence.

[The prepared statement of Brian Lawrence appears on p. 71.]

MR. BOOZMAN. Mr. Gaytan.

STATEMENT OF PETER S. GAYTAN

MR. GAYTAN. Thank you, sir.

Mr. Chairman, I appreciate the opportunity to share the views of the American Legion on the Department of Labor's Veterans Employment and Training Services, its resource needs and the State grant program which funds Disabled Veteran Outreach Program specialists and Local Veterans Employment Representatives.

Every year, 250,000 service members are discharged from the armed services. These former service personnel are actively seeking either employment or the continuation of formal or vocational education. The VETS program offers transitioning veterans the assistance they need to obtain employment.

President Bush's fiscal year 2006 budget request for VETS is 224

million. This marks a modest \$3 million increase from the final funding allocated in the fiscal year 2005 appropriations bill.

The American Legion remains steadfastly supportive of VETS within DOL as administered by the Assistant Secretary of Labor for Veterans Employment and Training and the critical role it continues to have in the lives of veterans and their families. The American Legion recommends 339 million for the Veterans Employment Training Service for fiscal year 2006. This would provide funding for the State grants for LVERs and DVOPs, the National Veterans Training Institute, the Homeless Veterans Reintegration Program and the Veterans Workforce Investment Program.

Additionally, the American Legion supports stronger oversight of funding for DVOPs and LVERs to ensure that the State grants are indeed earmarked for veteran-specific services. It is important that States be held accountable for the funds they received under the DVOP and LVER grant program.

The American Legion is concerned that the rate of job placement of veterans, training programs and other vital services may have decreased. Under the previous performance data reporting system, veterans seeking employment and those entering employment could only be counted after mediated service was provided. Under the current system, individuals only have to register and enter the employment system to be counted as assisted veterans, thereby giving the false impression that the One-Stop Career Centers are doing a better job of finding employment and training opportunities for veterans.

The American Legion is concerned with not only how employment services are delivered by the One-Stops, but also with veterans receiving priority of services as outlined by the 2002 Jobs for Veterans Act. The American Legion is pleased to hear from DOL officials that veterans are actually receiving priority of service; however, as you alluded earlier, sir, VETS has not published any data for determining how effective its priority veterans services are, nor have they reported to Congress on any progress made in regards to the implementation of key aspects of the 2002 Jobs for Veterans Act.

The American Legion strongly recommends a revision of existing VETS reporting requirements for measuring performance standards and for determining compliance with requirements for providing employment services to veterans. The rolling quarter reporting system should be administered in a timely manner to better project the employment services being sought by veterans and to more accurately reflect the efforts of DVOPs and LVERs.

The American Legion strongly believes funding levels for DVOP and LVERs should match Federal staffing level requirements and that they be allowed to provide service to veterans only. Adequate funding would allow the programs to increase outreach efforts, as well as staffing, to offer specialized comprehensive case management

job assistance to disabled and other eligible veterans.

With the dramatic increase in the number of veterans from the wars in Iraq and Afghanistan being discharged, and the increasing importance of the One-Stop Centers in assisting all transitioning veterans, the American Legion strongly recommends that VETS continue frequent monitoring visits to the centers and provide strict oversight of these programs. DOL must ensure that veterans receive priority in all programs and services created specifically for their unique needs.

Mr. Chairman, this concludes my testimony. Again, I appreciate the opportunity to be here, and I am willing to answer any questions you may have.

MR. BOOZMAN. Thank you.

[The prepared statement of Peter Gaytan appears on p. 77.]

MR. BOOZMAN. Mr. Weidman.

STATEMENT OF RICHARD WEIDMAN

MR. WEIDMAN. Mr. Chairman, thank you very much for the opportunity to appear here today. And because this is the first time I have actually had the chance to say so publicly to you and to the Ranking Member, as well as to Chairman Buyer and Mr. Evans, thank you so much for creating this Subcommittee.

The attention that needs to be focused on employment and on the means to have gainful work at a living wage is -- from PVA's viewpoint, for 25 years now, we have considered it to be the nexus of the readjustment process. Not everybody is going to need health care, not everybody is going to need a vet center, but everyone will need work.

It could be in the form of either self-employment, small business, microbusiness or a job, but everyone is going to need a job; and the symptomatology of all the other problems will ameliorate if you have work at a living wage.

So we thank you for focusing on this central, central issue, sir.

Insofar as the history of the Employment Service, you will recall that in 1933, as part of the legislation that created Social Security and Unemployment Insurance, the Job Service was first created and was farmed out to the States, along with the administering of the Unemployment Insurance. Frankly, it was industry and business leaders who wanted -- if they were going to pay Unemployment Insurance tax and checks to workers who were unemployed, they wanted WIA to try to get those people back to work as soon as possible. Thus was the creation of the modern Job Service.

From the very outset, veterans had priority within that system. It was in the original law. There were problems from the outset, and in 1944 it was part of the set of the laws that we commonly know as GI

Bill. There was creation of the Local Veterans Employment Representatives, who were supposed to assist the office manager in ensuring that everybody in each Job Service accorded the proper priority of service to veterans returning from World War II. In some cases it did; in some cases it did not.

Following Vietnam, the Workforce Investment Agencies, as we call them now -- Employment Services, we called it then -- testified on the other side of the Hill before Senator Cranston. They weren't placing any disabled or Vietnam veterans because they could not find them.

I would mention to you, Mr. Chairman, that in the 1970s, when I returned from Vietnam, I was teaching at a 4-year college in the Vermont State College system and as an academic administrator. Because there were such significant problems with the Job Service not meeting the needs of Vietnam veterans, we formed a statewide Vietnam veterans community-based organization focused on employment and barriers to employment in order to meet the needs of our brothers and sisters, particularly disabled vets within the State of Vermont. That happened all over this country because, even then, the Employment Service was letting us down.

The DVOP service was created to say, Okay, if you can't find the disabled vets and you can't find the Vietnam vets, we will then create this program to go out and find those folks and bring them in. That was created and that was the genesis -- first, by executive order of President Carter, and some -- then, later on, it was locked into statute, I believe -- in 1979, if I recall correctly.

Throughout the 1980s and into the 1990s, Chapter 41 of Title 38, we added and added and added various and sundry prescriptive and proscriptive fixes to the problems of lack of will and lack of accountability out there in the States across this Nation, with veterans still not getting the kinds of services which they, in fact, had earned by virtue of military service.

Finally, in the late 1990s, this Committee began to address this issue; that led to a piece of legislation, after an extraordinary year-and-a-half-long series of seminars, round tables, et cetera, that we thought was something that not everybody was totally happy with, but moving us towards a results-oriented system, something that is based on a GPRA, the Government Performance and Results Act, which Vietnam Veterans of America strongly subscribes to. It was defeated at the last minute by some inappropriate action -- and, some suggest, illegal -- on the part of one of the government executive branch officials at that time. Anyway, it threw us right back to where we are today.

We have now a system that measures its success based on a fallacious system, in our view, where it is the "post hoc ergo propter hoc" fallacy, the logical fallacy that something happens and therefore anything that comes after it is cause. Somebody registers with the

Job Service and gets a job the next quarter, or the quarter after that, and the presumption is, in the measurement system they use now, it is because they got something from the Employment Service or from the One-Stop that was available. In many cases, that is, flat, just not true.

Just look at the jump in 1 year when they finally implemented that system, I think, 3 years ago -- I think almost a 50 percent jump in their positive terminations in 1 year.

What we need is good metrics that measure real performance, one; and two, is a reward system, that means cash, American that is based on actual performance that is measurable. That is the heart and essence of the Government Performance and Results Act.

Insofar as this point, there are a number of specific things that we strongly urge the Committee to take a hand in. One is pushing VETS to start to take steps to really measure the performance of the various State workforce development agencies. That can be started right there in their building by taking care of what used to be called the SPIR system, Statistical Participation Information Retrieval system. That tracks everyone in a WIA program, in a Workforce Investment Act Program in every State right down to the service delivery area, or the WIB area, as they call it today in the Nation.

Yet that has not been done. There has not been any nascent effort to do that. So that is number one. Use the system that you have got to start to track it.

Second is, implement regulations published through the public rulemaking process, regulations to fully implement the Jobs for Veterans Act. In the absence of regulations, there is no way in the world that the Federal Government is going to be able to hold either the States, much less the municipalities, and the One-Stop shops, accountable for whether they do or do not meet the requirements of the Jobs for Veterans Act.

Number three is, we would suggest that what we need is Vet One-Stops. I neglected to mention it in my executive summary; I apologize, Mr. Chairman. There are two books that I meant to bring along today. One is called Veterans Come Back, and the other is The New Veteran. They are both written -- one was written in 1944 and the other in 1946. It details the kind of community centers that involve the private sector and representatives of all elements of the private sector in the majority of both small and large cities in the United States and all of the Federal entities and State entities into Veteran One-Stops across this country.

So it was a public-private solution to our -- in the greater sense, the community welcoming back those who were fighting for us, into the community. It wasn't something that you let government do. It was something that everyone did. And because it had private-sector measurements involved, it worked; and we would suggest that we

need that once again.

Last but not least, I would close with what we and our national president, in our legislative testimony this year before Chairman Buyer and the full Committee, called for, and that is a national convocation. Now, we suggested that was to deal with all of the problems that returning veterans have and to look at, are we doing the right thing. TAP and DTAP, in many cases, don't work. The people who are really falling through the cracks, as was pointed out by one of my distinguished colleagues, are the Guard and the Reservists who are demobilized; they are not in here, and many of them are unemployed.

I know somebody here in Washington who has talked about people in his unit -- because they were mobilized three times in the last 7 years, their spouse frankly said, I didn't sign up for this. They are no longer married.

They come home, they are unemployed or way underemployed, and they are living in their car. They are living in their car, and there is part of the total force. What does this do to our total force and the Nation's ability to defend itself? But even more importantly, this is not the way to treat the men and women who have placed themselves in the line in defense of all of us.

So, at minimum, we would urge strongly, Mr. Chairman and Congresswoman, that you take the steps to start -- at least on the employment and training aspects, to start to pull together a group of public and private individuals to look for an action plan that is focused on things that are measurable, that can be done by both industry and by business organizations and by organized labor and by Federal entities, and certainly with the leadership of the Congress.

Once again, Mr. Chairman, I thank you very much for the opportunity to share these thoughts with you and the Committee here today and look forward to answering any questions.

Thank you very much.

[The prepared statement of Richard Weidman appears on p. 88.]

MR. BOOZMAN. Thank you. I think each of you in your testimony has expressed opposition to Labor's proposal to blend the DVOP/LVER grant with other grants of the State. Let us talk about that a little bit more.

Would anybody like to elaborate more on that? Again, that is one thing that it seems like we have got universal agreement -- or disagreement with, from you all.

MR. GAYTAN. Mr. Chairman, if I can, the American Legion opposes the suggested changes that have been expressed, the opposition that has been expressed here this afternoon by everybody on the panel.

What the American Legion opposes is the lack of oversight that

will be provided in the States once this block grant is given to the governor and the decision is made within the State on how to distribute funds for education. American Legion wants the funds that are distributed to the States to be earmarked specifically for programs that will benefit employment programs for disabled veterans, hard-to-place veterans, any veterans that need that assistance through those programs to obtain gainful employment.

MR. WEIDMAN. The WIA Plus, in taking off all strictures that are now in Title 41 and not replacing that with hard metrics that would measure actual performance, is giving the States license. Some have suggested -- there are some States like South Carolina -- like South Dakota, I might add -- where veterans priority service really does happen. But there are other States where it doesn't happen, particularly the larger States, and where DVOPs and LVERs are already being used to serve nonveterans and to do clerical tasks that have nothing to do with helping the veterans whom they are there to serve.

What we at WIA Plus would do is simply legitimize and make illegal those abuses that are already happening. What we, in fact, need to do is stop the abuses and find a way to move to a different kind of system instead of legalizing the unlawful activity that is already taking place.

MR. JONES. Just very briefly, the responsibility for veterans, their care and assistance in job location, is a national obligation. One, you set earmarked funds into a block grant for governors' use. You essentially shift the responsibility to the discretion of the governor. Nothing wrong with all governors' discretion, but that should be local tax money for the governor.

We are concerned that veterans would be lost in the mix, and there would be little, if any, potential for control on the Federal side in the obligation that we have and the privilege that we have to assist the veterans in a seamless transition to the civil workforce.

MR. MAGILL. I share the remarks of my colleagues at the table here.

One of the things that struck us was the language "at the discretion of the governor." We firmly believe that -- as I mentioned in my statement, that this could be the demise of the DVOP/LVER program if there is no guarantee that that money would be spent for the employment of veterans.

Thank you.

MR. BLAKE. I just would reaffirm what -- Mr. Weidman made the point about priority of service. When we had a meeting with VETS recently, I think the point we tried to make -- and I know there have been some efforts to readjust some of the proposals with regard to WIA Plus, but none of the proposals we have seen have reaffirmed the priority of service that exists for veterans in employment placement service. The Jobs for Veterans Act, which was passed out of

this Committee in the 107th Congress, reaffirmed that. Yet we think that that would throw the priority of service for veterans right out of the window.

Furthermore, a complaint that we registered in a number of arenas when it comes to veterans is the fact that there is no accountability. The WIA Plus doesn't hold governors or the States as a whole accountable for making sure veterans receive that priority service. As long as that vacuum exists, there is no way that we could support this proposal.

MR. BOOZMAN. Yes, sir.

MR. WEIDMAN. Mr. Chairman, I know this is an oversight hearing on the Veterans Employment and Training Service, but may I say, sir, that it has to look at -- VETS is only one small part of the U.S. Department of Labor, and it is the Secretary of Labor who needs to be addressed on the issue of whether or not we are going to do with these things.

Now the Employment and Training Administration and the assistant secretary there has always been the one who controls the lion's share of the money. The VETS, the 200 million is a lot of money to us, but it is tiny in comparison to the money that goes through the Employment and Training Administration. It is not quite a decimal to us, but it is very small in comparison with the Employment and Training Administration. But it is not enough.

And they want the discretion. If the States were going to take care of their veterans at their discretion, using other ETA moneys, they would have already done so. But I only know of one State in the Nation who has ever used nonveteran-specific moneys for veteran-specific programs. It only happened twice, and that was when we had everybody lined up.

I know that I was part of that; I know this system well.

If I may suggest, Mr. Boozman, from personal experience, having for 8 years, 8.5 years, served as a veterans service program administrator -- and many of those people are wonderful people, many of your DVADs are wonderful, capable people, but they have no cards to play. They have nothing short of the nuclear option that was mentioned before of recapturing the money back from the States. Politically, that is not going to happen.

VETS is not going to take all of the money away from the Governor of Arkansas for the VETS program, or from the Governor of South Dakota. It is not going to happen. Therefore, you are left with no teeth in the law. We need other options that focus on a system of awards, and perhaps sanctions, based on actual performance, which currently we don't have, sir.

MR. BOOZMAN. Thank you.

Ms. Herseth.

Ms. HERSETH. Thank you, Mr. Chairman.

Thank you for your thoughts and your testimony, particularly as it relates to this whole issue of WIA Plus and what this could do. I share many of those concerns, and those concerns are shared by our colleagues in the other Chamber, as well, as they are evaluating what happened here. We certainly appreciate all the ideas that you have offered and what we can do by making some legislative changes or addressing some of the budgetary issues that are important and improving the VETS service in the Department of Labor.

I know from my working relationship with the chairman and, certainly, the dedication of all the staff for this Committee and staff in our own offices, that we welcome your ideas -- given your service to our veterans implementing much of what goes on in these programs on the ground to share those ideas and our ability to work together to get that done.

In my opening statement, I made reference to the fact that I am concerned with what appears to be a simultaneous demand for services, but yet level funding or relatively level funding in the budget request for the Department of Labor here.

I am particularly concerned, especially for Iraqi Freedom and Enduring Freedom veterans when they first come home, that their first reaction for any program that is being administered on their behalf is a positive one and that we have adequate resources, and staffing needs to make sure that that first interaction experience is a positive one.

So based on your various groups' contacts with some of these returning veterans, have you already started hearing from them about any frustrations, any complaints, any concerns with time delays, responsiveness, in their efforts to seek opportunities in employment or reemployment?

MR. MAGILL. We -- I have not had a lot of calls coming directly into my office, somebody calling specifically saying that they have had a difficult time working with VETS. I do have calls from somebody needing me to find them a job. Unfortunately we don't have that. But what I try to do is guide them in the right direction.

One of the things I do is talk about VETS. In some cases they have already tried VETS. They have contacted them, but that did not result in employment. Now, that is not to say that that is all the time.

I would like to get calls saying everybody is doing a great job, but unfortunately people don't do that. They only call when they have problems. Some of the people that I am getting calls from they have had a significant problem, other than just finding employment, that they are dealing with. It is the whole mix that has to be addressed.

If I can just take it one step further, I mentioned in my statement I am getting a lot of calls from people who have retired from one job and are finding that they cannot make it on what they thought would be a substantial income in order to maintain their life-style. I am

getting more calls than I would like to get from them.

MR. BLAKE. I think there is one concern that PVA had, and I think I emphasized this many times in my testimony previously, on the Voc Rehab program. It is the administering of the DTAP services by VETS. TAP pretty commonly gets done, for the most part the way it is supposed to be done, but I would say that DTAP is not as consistently administered.

We keep hearing about the Iraq and Afghanistan veterans who are getting these services. Most of that is because they are coming through Walter Reed and Bethesda and a couple of facilities, as we have talked about in a previous hearing. They are getting all the best services there.

But there are a lot of men and women who are at their home installations, who are getting injured on active duty, not necessarily in the war in Iraq and Afghanistan, and also there are those who are returning to those installations and not necessarily just going to Bethesda or Walter Reed, particularly the disabled men and women who are returning or who are at their stations, who are not getting the services that they want.

Those are perhaps the individuals who are going to need those services the most, because they are not only going to face the real challenge of their physical disability, but there are going to be automatic barriers that just happen to exist -- both physical and psychological, and other areas -- in trying to gain employment because of their disability, that have just existed for a long period of time.

So I think we need to keep looking at the DTAP program. I don't think we can emphasize enough the need to make sure that that program, in particular, is taking place. I made that point about VETS staff going out to the facilities where these disabled men and women are and giving those services, if that is what is required.

In most cases -- particularly from PVA members' perspective -- they are notable to get to the military installations where most of these services are being provided and so the VETS staff have to get out there to them.

MR. GAYTAN. If I may -- first, let me thank you for your concern for that new generation of veterans who are returning and are seeking employment with altered lives, with things that they are dealing with that they had no idea they would have to deal with, being amputation, mental health care. Thank you for your concern.

May I suggest that we readdress your specific point of how successful the VETS programs are being for that new generation of veterans, as we continue in the global war on terrorism?

I am not saying we haven't been involved in this enough and there haven't been enough casualties and there haven't been enough returning veterans. What I am saying is, to properly gauge the concern that you have raised over the successfulness of the VETS program for

that new era of veterans, to ask the VSOs, to ask those DVOPs and LVERs that we have direct contact with, to ask them specifically the numbers of returning veterans from IF, OI/EF, and how successful they are being, even going to the VETS offices and asking for assistance and then receiving the assistance they need to successfully integrate back into the civilian workforce.

I say "back into" when a lot of these soldiers and sailors and airmen that are returning have never had a civilian job. They are 19- and 20-year-olds. They only know a job where they are wearing the uniform of this country.

So I think we, as VSOs -- and I again appreciate your interest in this -- can give you the information you need, and you should gain that information in the next year or two.

MR. WEIDMAN. Three points around this, if I may.

The first is, we hear consistently about the -- we hear consistently about the inconsistency of TAP and DTAP. Perhaps seeking the assistance of Chairman Hunter and Ranking Member Skelton -- that require there be in the officer evaluation reports, base commanders, that TAP be done correctly.

It is not now. So sometimes it is 3 hours and sometimes it is 3 days. Where it is done correctly, it is of tremendous assistance, and the same for DTAP. Unfortunately for Guard and Reservists, it is done the least, just like medical care for Guard and Reservists, which is deeply concerning. The Guard/Reserve caucus is very uneven, particularly once you get away from the flagpole.

Two other things, if I may:

I think that many people have tried and have to -- on USERRA, the reemployment rights -- to get it right. But there have been a lot more complaints, and there haven't been proactive efforts, even though they were suggested 3 years ago to the Secretary, about mailing out or working with the States to mail out to the unemployment list to inform employers. If they know their law, they are much more likely to obey it, and you cut down on that.

Second is moving with real alacrity where there is violation. Frankly, one of the worst violators in this war -- just like in the first Gulf War -- is State and local government.

The fact that the city of Columbus, Ohio -- that a young man committed suicide because that issue couldn't be resolved in time is absolutely shameful. From our point of view, that mayor needs to be accountable at the polls, and other people up the line, not only in city government, but within the Federal Government in the structure that is supposed to administer USERRA; somebody needs to be held accountable and explain why this took so damn long.

The third thing, if I may add it, is also the responsibilities of the Veterans Employment and Training Service to play a role in the enforcement of Veterans Preference. If you talk to the Office of Person-

nel Management, they say it is not their job. You talk to VETS, and they say it is not their job. We are looking for whoever it is wandering somewhere in the depths and the bowels of the Federal bureaucracy of Washington, D.C., whose job it is to enforce Veterans Preference. Without that, it is more in absence, and it is a joke.

Not that many people at this table and many fine people, Members of Congress on both sides of the Hill, haven't tried, but we still do not have meaningful Veterans Preference. In fact, it is eroding even further today when it is needed most by the young men and women returning home.

Thank you, sir.

Ms. HERSETH. I have no further questions. Thank you, Mr. Chairman.

MR. BOOZMAN. Thank you.

One follow-up, very quickly: Have each of you heard from DVOPS and LVERs about being required to do non-VETS work?

MR. JONES. We know that there is an increasing number of DVOPs and LVERs who are hired part-time, and the remainder of their time is directed at related employment services. In many instances, what we hear from these folks is that the secondary part-time is taking much more of their commitment than they have been tasked to do for DVOPs.

If you follow me on this, they are using less and less of their time to work on the DVOP and LVER opportunities and more and more of their time, because of the management of these part-timers, to do things other than working for former military -- to assist former military.

It is a concern of ours. But, in general, we are fairly well pleased with the current anecdotal stories that we hear about the successes of the DVOP and LVER programs.

We would hope that there would be an effort to establish more measurable outcomes so that, yes, we could boost the juice, the resources available to these folks. Yes, we are concerned about the modest levels of appropriations over the years. But you really have to have something measurable for Representatives of the United States to take back to their taxpayers and say, We are going to increase these services because they are effective.

So we are looking for the boost in measures so that you can do the right thing for DVOPs and LVERs, which is to increase their funding.

MR. MAGILL. We have heard some accounts. It is not the norm, but we just heard isolated instances.

MR. BLAKE. Mr. Chairman, in a meeting a month or so ago with some representatives of the National Association of State Workforce Agencies, some of the representatives there from different States voiced concern that staff in their office who were DVOPs and LVERs

were being pulled away to serve other employment functions. In a few cases, it was to the extreme, as if their veterans employment responsibilities became secondary to the responsibilities they were being pulled away to do.

So, that is kind of hearing it straight from the horse's mouth; and from our perspective -- and to say that, you know, that concern was addressed from that organization particularly.

MR. LAWRENCE. I would just reiterate what Carl and Jim have stated.

Many DVOPs are, of course, members of the DAV. During our mid-winter conference in March, I heard a couple of anecdotes of similar types of use of DVOP time.

MR. GAYTAN. I can say the American Legion is hearing the same things. I just had a phone conversation yesterday and this morning from the same LVER, expressing the same concern and letting me know that the main focus of his job right now is not to get jobs for veterans, it is to make sure that the administrative support of the office is being taken care of. A lot of the other ancillary roles that that office takes on are falling in his lap.

That is just one specific instance that I have heard in the past couple of days. But -- I can't say it is a blanket problem nationwide, but there are specific pockets where this is occurring.

MR. WEIDMAN. It is a -- if I may suggest, Mr. Chairman, it is a systemic problem, and it has been a problem for many years. But there was always the monitoring. As the -- what used to be called the Wagner/Peyser money, the money for the regular employment service has diminished every year since 1981, up through today.

The pressure to utilize the Disabled Veteran Outreach Program specialist and to serve nonvets and to serve functions has grown every year -- has grown every year. So, one, it is, in some cases -- in many cases, the office managers are not terrible people, they just are under such key pressure. They get fired if they have big problems with people management within the office, and people start -- and it makes a scene over and over again and hits the local newspaper. They get fired if they don't pay Unemployment Insurance on time.

Nobody gets hurt at all, no office manager, because they didn't get a vet a job.

That is the systemic problem to the whole issue, and perhaps we need to look hard at places veterans, specialist staff in there. Given the day of -- today, where you can go anywhere with a laptop, and you can do that supervision and you don't have to be at a desk in the corner of an office. Perhaps its time to revisit this model altogether, sir.

Thank you.

MR. BOOZMAN. Have you got anything else?

MS. HERSETH. Just to follow up on this. Is this part of the reason -- I

can't remember which one of you it was, and maybe it was more than one, suggested that we have a separate veterans One-Stop because we have -- it isn't a problem in all States, you have been complimentary to South Dakota, and I was just at the Northern Hills Career Center where that didn't seem to be a problem.

Yet, if we have got a -- the issue with the One-Stop Career Centers is that it is that type of environment in which it is more likely that the time and the resources are being diverted away from the veterans -- you kind of nodded that that was -- you were agreeing with my statement.

I am sorry, I am not articulating it right now very well. But is this a concern you have about the One-Stop Career Centers in particular?

MR. GAYTAN. I just want to express what Rick already brought up about the Wagner/Peyser Act and the reduction in funding for that. That reduction causes the offices to lean harder on the DVOPs and LVERs.

The Wagner/Peyser Act is not being as effective as it should be; therefore, they are almost forced to put more job responsibilities on DVOPs and LVERs, that aren't veteran-specific.

That office has a mission as an office, regardless of veterans needing jobs. Veterans needing jobs are the role of the DVOPs and LVERs. But as an office and as a One-Stop Center as a whole, they are operating with their own requirements and goals that they need to achieve. If they need to lean on the DVOPs and LVERs to achieve overall mission of meeting their requirements and providing employment to nonveteran-specific individuals, that is what they are doing.

That is why you are seeing the DVOPs and LVERs doing more than just seeking or providing job opportunities for veterans, but doing more administrative roles in the office and doing more widespread issues in that office.

MR. WEIDMAN. It is the pressure, it is structural pressure in that sense. If you have got -- you have your mortarmen in an infantry platoon, but if you are down to half-strength, everybody has got to do two or three jobs.

So some of it is from that point of view. The question is, do you need to do that anymore -- and about keeping people in an office.

Now, because of critical mass, you are not going to be able to do a Veterans One-Stop, I don't think, probably in South Dakota. You could in Little Rock, possibly in Fort Smith, but you couldn't in most of Arkansas, because there is just not enough critical mass of returnees.

What you could do is a variation on it. When a Reserve unit comes together, then it comes together in that community, involving members of that community, leaders of that community.

One of the things that is not inconsiderable -- that has never been truly studied by VETS or anybody else, I might add -- is the corporate

culture that exists in each and every State. In South Dakota, North Dakota it is excellent towards veterans as getting priority. North and South Carolina, North and South Carolina, it is excellent. Veterans really get priority of service there; they literally get put to the head of the line in South Carolina.

Many other States, like Florida, I am ashamed to say, New York, Ohio, many other places, it really varies on the office manager and, in some cases, not at all. The cause that DVET, the U.S. DVET, doesn't have many cards to play -- and as was pointed out, their State counterpart State programs administrator often is powerless in regards to the office managers.

Nobody is enforcing the law, and maybe the only way to do it is to have a poll strategy based on actual performance measures and money to follow that right down to the local office or One-Stop Center.

MR. BOOZMAN. Thank you all so much for your testimony and your insight. Like I say, you all are excused, and again, we certainly appreciate you all being here. Thank you very much.

MR. WEIDMAN. Thank you, Mr. Chairman.

MR. BOOZMAN. Our second panel is a diverse group comprised of Mr. Sigurd Nilsen from GAO, Ms. Maren Daley from the National Association of State Workforce Agencies, Mr. We Poriotis -- I'm sorry, Wes. That was a typographical error where we had We, but when you put Poriotis at the back, you can kind of see that -- you would wonder if there might not be a "We" in front.

MR. PORIOTIS. Two sessions ago I was introduced as Mr. Psoriasis.

MR. BOOZMAN. Is Poriotis -- am I correct in that? Is that close? Okay, very good. Chairman of Wesley, Brown and Bartle and the Executive Placement Firm; and Ms. Daley, from State Workforce Agencies

Okay. Let's go ahead and get started then with Mr. Nilsen.

STATEMENTS OF SIGURD R. NILSEN, DIRECTOR, EDUCATION, WORKFORCE, AND INCOME SECURITY ISSUES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE; WESLEY PORIOTIS, CHIEF EXECUTIVE OFFICER, THE CENTER FOR MILITARY AND PRIVATE SECTOR INITIATIVE, INC.; AND MAREN DALEY, VETERANS' AFFAIRS COMMITTEE, CHAIR, NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES

STATEMENT OF SIGURD R. NILSEN

MR. NILSEN. Thank you, Chairman Boozman, and Ranking Member Herseth -- who just left, I guess. I am pleased to be here today to talk about our preliminary observations on the status of imple-

mentation and some key provisions of the Jobs for Veterans Act. In particular, my testimony today addresses three aspects of the progress that Labor's Veterans' Employment and Training Service has made in implementing changes affecting its key programs that has changed as a result of JVA.

First, the separation of DVOP's and LVER's roles and responsibilities; second, VETS' accountability system for DVOP and LVER staff; and third, VETS' system for monitoring DVOP and LVER performance.

First, with regard to the changed roles for DVOPs and LVERs, VETS has taken action to implement the changes to the DVOP and LVER programs. Through its policy, guidance letters and training, VETS has clarified the DVOP and LVER's new functions and the use of part-time positions for DVOPs.

According to their fiscal year 2005 State plans, States will have about 2,900 DVOP and LVER staff; 23 States will use the new flexibility under JVA to have half-time DVOPs, who will comprise about 18 percent of the total DVOP staff. Some States plan to use half-time DVOPs extensively. For example, South Dakota plans to have 87 percent of its DVOPs be half time.

Labor officials acknowledge that integration of DVOP and LVER staff into one-stop centers has been a persistent challenge because of entrenched cultures, yet integration is occurring in some locations. For example, one DVOP we interviewed said that the veterans program is highly integrated within the WIA program in her local one-stop with both sharing case management responsibilities. In cases where there is little integration, one reason cited was that the other staff at the one-stops were not educated or trained on serving veterans.

Second, with regard to the new performance system, VETS has implemented some JVA changes to the accountability system, but it is still in transition. Prior to JVA, performance measures placed more emphasis on process-oriented measures, measures that simply track services provided to veterans, and not on the employment outcomes achieved for veterans.

Beginning on July 1, 2003, VETS adopted performance measures that are similar to those in WIA, or the Workforce Investment Act. Three WIA-based measures are veterans that entered employment, retention in employment at 6 months, and job seeker satisfaction. In addition, VETS tracked employment -- entered employment following receipt of staff-assisted services, and entered employment following receipt of case management. Like WIA, placement and earnings data come from the unemployment insurance wage reporting system.

VETS reported that the DVOP and LVER program met Labor's goals for the entered employment rate of 58 percent for all eligible veterans in program year 2003; however, they fell short of their goal

of 60 percent for the employment rate for disabled veterans, achieving only a 53 percent employment rate. VETS reported that they exceeded the employment retention goals, however.

VETS officials told us that the measures will change again this July when VETS will adopt OMB's new common measures. While the new common measures afford some advantages over existing measures, the frequent shifts in focus have made it difficult to collect comparable data that can be used to establish a pattern of performance for the DVOP and LVER programs. As a result, VETS anticipates that it will take at least until July 2007 to collect the necessary trend data to establish the minimum standard for the entered employment rate that all States will be expected to meet.

Finally, with respect to JVA's requirements to monitor the DVOP and LVER programs, VETS has shifted greater responsibility for monitoring program performance to the State level. And VETS' monitoring role continues to evolve from enforcer to partner in achieving State goals. In 2004, VETS reviewed all State plans and conducted on-site monitoring reviews of 20 percent of local offices in each State.

Now that VETS has completed its first year under the new performance accountability system, it is unclear how it will use its monitoring results to improve DVOP and LVER program performance. VETS officials have not provided a consistent methodology to incorporate and analyze relative performance among the local offices, States and regional offices. But VETS and ETA are working on sharing the results of monitoring efforts, coordinating corrective actions, and taking a joint approach to program oversight.

Mr. Chairman, this concludes my prepared remarks, and I will be happy to answer any questions you or Ranking Member Herseth may have.

MR. BOOZMAN. Thank you, sir.

[The statement of Mr. Nilsen appears on p. 90.]

MR. BOOZMAN. Let's have Ms. Daley now. You can go ahead.

STATEMENT OF MAREN DALEY

Ms. DALEY. Good afternoon, Chairman Boozman, Ranking Member Herseth. On behalf of the National Association of State Workforce Agencies, I thank the Subcommittee for the opportunity to share information on the contributions of our members in strengthening the Nation's economy by linking veterans to jobs.

The members of our association constitute State leaders of the publicly funded workforce system vital to meeting the employment needs of veterans through the Disabled Vet Outreach Program and

the Local Veterans Employment Representative Program.

Before sharing NASWA's recommendations on how to improve workforce services for veterans, I want to acknowledge the strong working relationship between NASWA and the Veterans' Employment and Training Service. NASWA and VETS have worked together since the enactment of the Jobs for Veterans Act to ensure the newly developed regulatory requirements improve the administration of workforce programs and service to veterans. NASWA is grateful to VETS staff that have graciously donated time to communicate and listen to NASWA members throughout implementation of the Jobs for Veterans Act.

NASWA members are committed to providing the highest-quality workforce services to our Nation's veterans, National Guard members and reservists. The workforce system's top priority is assisting veterans, and disabled veterans in particular, in making the transition from the military to the workplace. Given this priority of service in our capacity as workforce program administrators, we have identified additional issues required for improving workforce services, and the following are our recommendations:

Congress should appropriate an additional amount for the DVOP and LVER programs proportionate to the increase in the number of veterans requiring service upon their return from ongoing conflicts, and also to adjust for inflation. We recognize this Subcommittee does not determine annual appropriations; however, we encourage you to urge your colleagues on the Appropriations Committee to fund this program adequately. I also encourage you to consider support for additional training funds dedicated to providing veterans the skills required for successful transition into the civilian workplace.

The Subcommittee should amend the Jobs for Veterans Act to transition the DVOP and LVER funding cycle from a Federal fiscal year to a program year. Program year supports integration of VETS programs into the WIA and one-stop systems, which helps align funding, planning and performance with the same cycle on which the one-stop partners operate.

The Subcommittee should set adequate State allocation funding levels. The new State funding formula, under the Jobs for Veterans Act, caused wide fluctuations to individual State funding, creating unintended inequities.

Eligibility for incentive award grants under the Jobs for Veterans Act should be expanded to include workforce system offices. The benefits of incentive awards for exemplary service to veterans by individual employees have been limited by conflicts with State law and State directives that could be eliminated by congressional action to expand eligibility to offices, in addition to individuals.

NASWA encourages the Department of Labor to improve and simplify its guidance to the workforce system on delivery of prioritized

service to veterans. Although the Employment and Training Administration has provided workforce program administrators guidance on providing veterans prioritized service, it has not been promoted adequately, and its importance has not been sufficiently relayed to some service providers.

Under the Transitional Assistance Program, or TAP, designed to provide information and services to military personnel preparing to transition from military service to civilian careers, performance measures are restricted to veterans, defined as individuals who have already been discharged from military service. NASWA recommends the TAP performance measures include military personnel who have a definite date for discharge in the near future.

NASWA believes Congress should reconsider the Jobs for Veterans Act provision requiring the Secretary of Labor to assign a director for Veterans' Employment and Training to each State. I know of no other Federal workforce program requiring Federal oversight staff stationed in each State.

Finally, the President's National Hire Veterans Committee established by the Jobs for Veterans Act got off to a slow start, but now has an active membership of major business representatives. NASWA supports the Committee's efforts to develop a national campaign to advise employers on the benefits of hiring veterans. The Hire Vets First Campaign established by the Committee is an excellent effort to inform employers and provide a connection to State and local workforce development resources. The Committee has ensured NASWA it will refer employers to State Websites, local one-stop career centers, and the DVOP and LVER staff.

We look forward to working with you and other members of this Subcommittee and Congress to provide the necessary workforce services to our Nation's veterans. Thank you, and I am happy to answer your questions.

MR. BOOZMAN. Thank you.

[The statement of Ms. Daley appears on p. 106.]

MR. BOOZMAN. Mr. Poriotis.

STATEMENT OF WESLEY PORIOTIS

MR. PORIOTIS. Yes, Mr. Chairman, Ranking Member Herseth. When I was originally invited to testify -- as you can see from my written testimony -- before this panel on March 17th, St. Patrick's Day, I was so excited that I ran out and bought a green tie and tried to change my name to O'Poriotis, but my 84 -- now 85-year-old Greek father was so relieved to hear that the date was changed to May 12th that he said, it is good that they changed the date and not your name.

However, I am equally pleased, Mr. Chairman, to be here today, May 12th, which, as any good New Yorker should be able to tell you, is the 80th anniversary of the birth of one of our Nation's great unsung intellectuals and philosophers, Lawrence Peter Berra, better known in many circles as Yogi Berra. So let me start by saying in the words of Yogi Berra that testifying before you today feels like *deja vu* all over again.

So, Mr. Chairman, this is the third time since 2002 that I have had the honor to sit at this table to testify on ways to enhance the Federal Government's role in helping veterans secure quality employment opportunities.

Eleven years ago, at the request of the Joint Chiefs of Staff, I produced a report analyzing how veterans were faring in their transition from the military to civilian employment, especially in overcoming deselective biases in accessing and competing on a level playing field for the quality opportunities in the nondefense sector, the growth sectors of our economy. Sadly at that time I found that veterans employment and career transition services were inadequate and outdated. Based upon a scientific survey and other research, I made almost a dozen recommendations to the Joint Chiefs on how to improve Federal veterans employment programs.

Furthermore, I founded the Center for Military and Private Sector Initiatives, a 501(c)(3), to help pursue implementation of those recommendations and other initiatives to improve employment prospects for transitioning military, veterans and their families; how to market them; how to brand them; how to create a pull and overcome the push that now exists in most employment circles. Unfortunately what I am about to report in terms of the sorry state of Federal veteran employment programs may sound to you like the Yogi Berra comment, *deja vu* all over again.

In the decade since I gave the Joint Chiefs my recommendation and personally met with the President to address this issue, VETS has made some reforms, improved some services and expanded its budget, but at the end of the day it is still a fair characterization to say that the Veterans' Employment and Training Services neither employs, nor trains, nor adequately services veterans' employment needs.

Mr. Chairman, the problem at its core is that VETS is a government program trying to succeed in the private sector with government solutions. Let me give you a perfect example. Last week the Chairman of the President's National Hire a Veteran Committee testified about the accomplishments of his Committee. I read his statement carefully, and here is what I found. In the 2-1/2 years since the Committee was authorized, the only measurable achievement he could enumerate was the signing of 28 *Hire a Veteran Month* proclamations by State Governors, with another 15 proclamations to be signed

at the end of June this year. That is how government approaches a problem: Create a committee, sign a proclamation.

Let me share how the private sector approaches the same problem. After a year of planning, together with General Tommy Franks and Roger Chapin, the founder of A Salute to America's Heroes, we brought 138 of the most severely wounded in the war on terrorism and their families, free of charge to them, to Orlando and Disney World for a 3-day retreat, conference and work session to help them on their road to recovery. In addition to numerous programs to heal their spirit and provide them with tangible and material assistance, we provided them with houses and refurbished their houses. As an example, we organized a comprehensive program to meet and provide employment navigation and counsel with each and every military servicemember and his or her spouse, because often it is not so much the military member acquiring the job, it is often the spouse is more eligible for employment and can bring in the dollars to the home, and we should focus on them.

Our program utilized what we call a working group -- and I think we should take note of this -- of hero/coach counselors and job developers, especially for disabled veterans. They go into a veteran's home, determine a career track, meet with local employers to literally get the veteran an interview. What we have missed here in all of these programs, we have to get the veteran an interview. The hero/coach counselor in some cases helps in the negotiation, the closing, and in essence becomes the champion for the veteran payload to the employment target.

This combination of experienced employment navigation, plus the actual employer relationship building and opening up what I call the hidden job market, the quality job market, the growth job market, goes through the pain of placement, which is the true pain that the VETS, the DVOPs and LVERs avoid. And it is not because they avoid it, it is because they are not tasked to do it.

While we were meeting individually with these brave men and women, 20 VETS representatives were in another room doing what they are tasked and trained to do, hand out written information, refer veterans to Websites, and check off the boxes on their to-do lists.

Mr. Chairman, I don't blame the men and women in the field working as LVERs and DVOPs. They are doing the job they were designed. Some of them are remarkable, caring, compassionate and effective people; yet, as Mr. Weidman said earlier, they have no hard metrics upon which their performance is judged.

Unemployment and the immeasurable yet omnipresent underemployment has reached such unacceptable proportions that someone like Jim Nicholson, the new Secretary of the VA, recently met with me at the request of some corporate executives to hone in on the 24 percent unemployment for young veterans. He -- even though he is

not statutorily responsible for employment, Labor is -- is spending an enormous amount of time marketing and aggressively trying to open up doors for veterans. He said that he would spend his time with corporate executives to market and influence the influencers to make a real market in this growth economy for jobs for veterans.

Unfortunately, this contrasts dramatically with VETS leadership, who are so busy with their internal meetings, their internal discussions, that they can't get out of their own way to meet the enemy. And the enemy is corporate America, who basically, as said in the former panel, are deselected by their nature. There has been a distancing between the military and them. They were not naturally inclusive of this military as a workforce.

In August of 2003, Jack Welch's successor, Jeff Immelt, spent 2-1/2 hours with us. We invited VETS leadership to come with us; they were too busy to come. Immelt basically said he would bring other corporate executives together and have his own human resources team bring other HR folks together to really influence the influencers in the hiring community to bring these veterans and these valuable assets across the table.

The fact is we can never solve a private sector problem with government approaches and programs. Yogi Berra again said, it ain't over 'til it's over. But respectfully, Mr. Chairman, in the case of VETS, with regard to quality employment, opportunities, career advancement, I believe its time is over.

One of America's most important entrepreneurs recently gave a remarkable speech on education at a summit meeting of our Nation's Governors. Bill Gates minced no words. American high schools are obsolete. By obsolete I don't just mean that our high schools are broken, flawed or underfunded. By obsolete I mean that our high schools, even when they are working exactly as designed, cannot teach our kids what they need to know today.

Mr. Chairman, we merely need to substitute Mr. Gates' words on obsolete high schools with the obsolete Veterans' Employment and Training Service. Rather than reforming and coping with an obsolete Federal agency, we need to seriously develop a blueprint that reconsiders the entire notion of government-sponsored programs to help veterans get jobs in the private sector.

If Mr. Gates can be so blunt in crying out for a redesign, we can do no less for our veterans. We need to evaluate the efficacy of outsourcing the VETS function, or at least significant parts of that function. An outsourced entity would be mandated to carry the veterans' employment football across the goal line. At present, the veterans' employment payload is simply not meeting the target. It is like a boxer who moves deftly, jabs, throws powerful uppercuts, but never actually hits his opponent. Unless we can task people to go out and find the hidden job market among private sector employers, we will

never succeed. Until they are measured by how many jobs they find for veterans rather than how many daily tasks they perform, success will continue to elude us.

At the very least, I would recommend that this Committee authorize pilot programs that allow the private sector to infuse its knowledge and energy into the noble task -- and I say it is noble -- of finding high-quality jobs for the men and women who have so honorably worn the uniform. To create jobs we need to unleash the talent and creativity of the private sector. Similarly, if we want to find quality new and existing jobs, we also need to unleash the private sector.

Mr. Chairman, in my closing remarks -- and I thank you for letting me go over -- I thought about Teddy Roosevelt's famous political barnstorming often called "the bully pulpit." we need to be bold and reach out for a head of VETS like Jack Welch, Dick Grasso of the New York Stock Exchange, Paine Webber's Joe Grano, Lou Gerstner of IBM fame, somebody that has the corporate juice who can influence the influencers and get his peers to come to the table on this issue. Let the able administrators within VETS do what they do ably, and that is administer, But for a dollar in salary and the capacity to leave a personal legacy for infusing the treasure of military service into the American business bloodstream, we can recruit a passionate corporate leader to head VETS and forge a bully pulpit for veterans' employment. It is quite probable.

Let me close, Mr. Chairman, with one of my favorite Yogisms: When you come to a fork in the road, take it. So to put that another way, the Veterans' Employment and Training Services is done, stick a fork in it, move on, and let's create a new public/private partnership to help veterans actually get quality jobs.

MR. BOOZMAN. Thank you very much.

[The statement of Mr. Poriotis appears on p. 113.]

MR. BOOZMAN. Mr. Nilsen, you mention in your testimony that the DVOP and LVER program had been reported to meet their goal of 58 percent.

MR. NILSEN. Yes.

MR. BOOZMAN. Is that correct?

MR. NILSEN. That is correct.

MR. BOOZMAN. One of the criticisms from the other panel was whenever anybody walks in and fills out a form, then later get a job from some other means, they are still considered as hired through that program. Can you respond to that criticism?

MR. NILSEN. Yes, that is true. We don't know exactly why that person got that job. I think there are a couple things. One, you need good measures on a program to know what is happening with the people flowing through that program. One of the things that was

said on the earlier panel was when WIA was passed in 1998, they did away with registering everybody who comes through the door of a one-stop. Our work -- we have done extensive work on the Workforce Investment Act, and GAO has recommended that they go back to registering everybody who comes through the door so that you know what you are measuring. Right now you can manage those outcomes very easily by selecting who you register for services, and then later determine when you decide to exit them.

The common measures that are being put into effect this coming July also will require that everybody be registered. With that you will know who is servicing all veterans who come through a one-stop, because not all veterans are served by DVOPs and LVERs. Many people coming through a one-stop get a job through either self-directed services at a one-stop, or because of services from somebody else in the one-stop.

In order to be able to assess that a veteran got a job because of the assistance that was provided to them, you need to really conduct a rigorous evaluation of the program. You can't do it with performance measures. Performance measures are indicators, but you need a rigorous evaluation to determine what did the veteran -- what kind of services veterans got and what happened as a result, and compare them to what would happen without those kinds of services.

So it is a long way of saying -- there are two issues: One, you have to know what is happening to everybody who comes through the door; secondly, you need to do an evaluation, perhaps in conjunction with the Employment and Training Administration, to see what is happening to everybody who comes through the door at a one-stop, and why -- what outcomes do they achieve, and what were the services they were provided so you can associate services with outcomes.

MR. BOOZMAN. I agree. It looks to me like if nothing were done, you are just basically writing your name on a sheet of paper. If nothing were done, there would be some employment that took place, and then compare that rate with the rate that is actually published. And like I said, that, to me, is pretty basic; then you really know what that group is actually doing versus the other.

I don't know how hard it would be to estimate the amount of employment, if the program didn't exist, but that really does need to be done. I mean, do you agree?

MR. NILSEN. Yes, I do.

MR. BOOZMAN. Very much.

In your testimony, Ms. Daley, concerning inadequate funding, you express excessive oversight for the DVOPS and LVER program, reduction of services for veterans, and yet we constantly hear about the DVOPS and LVERs being tasked by local managers to do nonveterans tasks.

MS. DALEY. On behalf of NASWA, we recognize the concern regard-

ing DVOPs and LVERs occasionally performing services in one-stop environments not directly related to services for veterans, but we understand these instances to be limited, and, when identified, immediately addressed to ensure full attention is provided to the veterans. So as we have explored this issue, we have found it to be more limited in nature than to be a massive problem.

We do not believe these limited situations detract from the need for adequate funding for the DVOP or LVER programs. State allocations under these programs have increased by approximately \$3.9 million in 8 years. This amount represents just over 1 year's increase in inflationary costs.

We also have a major concern with the funding for training for veterans. The Veterans' Workforce Investment Program, the funding dedicated to training for veterans has been flat-funded over 5 years. Last year 7-1/2 million served only 12 States.

The workplace our veterans return to today is totally different than the one of 20, 10 or 5 years ago. Veterans in many cases require more training and skills than nonveterans to maintain their competitiveness in a dynamic workplace.

NASWA is a partner with the administration in its High Growth Job Training Initiative, and this effort is to make the system more proactive in responding to the workforce needs of businesses, and understanding the workload as DVOPs and LVERs become stronger advocates for veterans in searching out opportunities in high-growth businesses.

So in summary, Mr. Chairman, we recognize this to be a problem limited in scope, readily addressed, and yet there are increasing needs for servicing of veterans that require increase in funding, both on the staffing side for DVOPs and LVERs, and particularly on the training side, to enable our veterans to step into good careers in today's economy.

MR. BOOZMAN. Mr. Poriotis, you, in your testimony, talked about what is needed. What kind of attributes, what type of individual would you consider appropriate to be the next as ASVET?

MR. PORIOTIS. I think you have to have someone who has taken a lethargic organization and rebranded it. I mean, we fail to remember often that when Lou Gersten took over IBM, it was next to being broken up. The board of directors of IBM wanted to break it up and sell it off in pieces. He saw that one entity, with the power of rebranding itself to its customers, would thrive again, and now he is a legend. So I think someone has to have the passion. They have to also obviously have the ego to have gotten to a senior role in the first place.

When you think of people like Jack Welch, you know, who basically -- when he took over General Electric, they called him Nuclear Jack because he basically was decimating the organization, and he rebuilt it from scratch.

I would say that the characteristics are a passion to leave a legacy, and we need to take their energies and efforts -- when -- last May I brought 14 corporate executives in front of the House Veterans' Affairs Committee to speak to the value of military service, because I firmly believe that, regardless of the money you throw at VETS, regardless of the resources you add to it, unless there is the passion, unless there is the rebranding of military services valuable to the nondefense growth sector, that we will be back here 10 years from now talking about the same thing.

So in direct answer to your question, someone who has taken a brand -- and military service is a brand that has lost its value, it has lost its equity, as the consumer package goods and advertising people say. I brought 20 chairmen and CEOs of advertising agencies together, people who brought Pepsi to the marketplace, people who brought BMW, and I said, take military service, think of it as a brand; how would you relaunch it to the private sector? And one of the people there ran the Volvo account for a major agency, and he said, let me ask you a question; you want to buy a Volvo because why? And most of the advertising folks knew immediately, because it is safe. So equity in a brand is safe? You want to hire a military person or a veteran; why? We use all of the intangibles. They are great, they have leadership, they have quality and integrity. But the American employer outside the defense sector in the government will want to hire them because it adds to the P and L, to the bottom line.

We haven't rebranded military service toward that goal. So I would try to induce a CEO, like a Jack Welch, or a Gerstner, or a Joe Grano. They are worth hundreds of millions. They are doing nothing now, playing a little golf, and their egos are so big they don't fill this room. Let's rechannel this and get them to drive this to their peers. And I would say passion, rebuilding that brand, and the desire to leave a legacy.

MR. BOOZMAN. Thank you.

Ms. Herseth.

MS. HERSETH. Let me just start with a follow-up then, Mr. Poriotis, I appreciate your testimony, I appreciate your passion on this issue, so let me just ask a couple of questions here.

First, on this whole issue of injecting the private sector, would you agree with the testimony of the prior panel that it might help to assess the corporate culture in each State, because some are better than others? That will help us then -- whether there is a move toward branding military valor, and don't we have to first have this assessment? Because I don't know that across the board we have got the folks that are quite as passionate as you in terms of the role that is going to be played.

And I understand exactly what you are saying in terms of what we do in a government program and how expansive they can be, and how

people are managing their time, and clearly the consistent testimony today about a lack of measures for performance that can lead to the accountability that all of us desire here. But would you agree that some assessment of the corporate culture is required?

MR. POROTIS. Congresswoman Herseth, can you imagine in the private sector to spend \$200 million with an entity, a business unit, and they not have done any corporate perception audits to determine the behavioral blockages, or where the good, bad and the ugly are? I don't think they need more money. They need to rechannel the money based on where the problem is. We don't even know where the problems are.

So, yes, Mr. Weidman hit about the difference between the Carolinas, Ohio and Florida, but we haven't done a definitive perception audit. The first thing one would do in a behavioral analysis is to hold focus group sessions with three levels of management. So we have to get inside that management, have one-on-ones with corporate executives. We have to use the society of human resources management where there are 200,000 human resources executives, connect with them and find out how they perceive military service. Right now I would think, in a nondefense sector, if they perceive it, they perceive it all as being those folks in the silo who defend us, but we are not going to bring them across the threshold to high-quality opportunity with career mobility.

The other amazing part of the perception lack is the fact that we don't know where the 4 million are who evolved out of -- in the first Gulf War. When I asked Mr. Juarbe, the head of VETS, last year, I said, where are they? He said, well, we are doing that. I said, where are those you have placed? We don't have an alumni network. Any good college would have an alumni network. We don't have a network of those with former military service background in business so we could link the individual coming out immediately with somebody in that particular field.

And secondly, to add one little sidebar, the Army is having a terrific time now recruiting folks. I say every time a person comes in to be recruited, he or she is connected with someone in the private sector as an external mentor. They may not work there, but at least it guides them through. And right now they could equate the 4, 5, 7 years of service with the equivalent of a baccalaureate and the equivalent of a private sector platform after service. We have a terrific problem because nobody is approaching this with the intelligence of a business.

Ms. HERSETH. And you make a number of interesting points, creative points. And I do agree that the business community, the business environment, can allow us important lessons in instructing how we go about to meet these types of performance measures, to create them and then meet those standards.

And going back, though, to the whole issue of the perception of

employers, whether they are large corporations, or whether they are a small or midsized business, I would just say that part of what the recent GAO here, Mr. Nilsen, on employers being aware of certain programs, one-stop career centers, we do have to make this transition of just employers being aware of a program, aware of a service to what more data do we need in terms of what is driving the employer's decisions here? And I think that gets exactly kind of a step further under the surface of what are the employers' perceptions then of the different clientele that the one-stop career centers are servicing? So I just want to make that comment before asking one other question to you.

I may have tied it in, actually, with some of my comments here, but the other issue I want to get at is the Internet services that are being incorporated. Has there been any integration of a tracking or a monitoring system, any other measure, as more and more individuals, and in our case here specifically veterans, are using the Internet through the one-stop career centers? I mean, even though we are lacking a performance measure, has anything been done in terms of that service to track and monitor that is different from when someone comes in physically to the one-stop career center location?

MR. NILSEN. I think that varies by State. Many States don't want to -- if people are accessing services through the Internet, many States don't want to be an impediment by requiring people to register, put in a Social Security number so then they can track them. What most States, it is my impression, do is sort of track hits on their Websites. But they feel sometimes that if they require people to register, they are going to discourage people from using the service, so not many States do that.

MR. PORIOTIS. And if you realize how a talent acquisition operation works in a major corporation, they may have 150 to 300 recruiters. Most of the low-level recruiters who are tasked to fill positions will use Monster Board, Jobs.com, Career Builder, but you are still begging the question. The vice president of human resources has to be confronted and brought to Jesus on the value of military service.

The problem with the one-stop in the VETS operations, they are not inside the strategic tents when the talent and acquisition strategy is being made. Those vice presidents make the talent acquisition strategy the first of the year. And you know what? If you are not in the strategic tent when they are determining which colleges they are going to, which workforce organizations they are going to go to, you are overlooked.

I talked to 12 human resources vice presidents before my last testimony. They have either never heard of VETS, or, when they had called them, couldn't get serviced in a useful manner, or, three, didn't think of military service as being valuable to their workforce because they had never understood the theoretical translation of the

background, not just the literal translation.

Ms. HERSETH. I appreciate that. Again, we will have to have more meetings with you to pick your brain on some other -- and you are coming at a very interesting angle, and I think we have a lot more to discuss. I know Mr. McWilliam is waiting to testify, too, and I have gone over my time, but just one more question to you.

Based on your testimony, because we are going to be asking our next witness a little bit more of a follow-up to the President's Hire Veterans Committee, in your opinion would be it preferable, then, to just let that Committee expire and allow for more direct interaction, work with the private sector to encourage greater links between employers and servicemembers?

MR. PORIOTIS. I don't think the Committee knows what marketing is. I do think that it has misspent a lot of money. I will tell you why. They think their job, based on the last testimony, is to connect with the one-stop centers and the government with -- but they are not getting inside the brains and the portfolios of corporate America and inducing them to bring this over the threshold by their own desires. They are speaking to the converted, not to the unconverted; and I don't think they are using the Committee members well.

Ms. HERSETH. Thank you very much. Thank you.

Mr. Chairman.

MR. BOOZMAN. Thank you again. Thanks to the panel. We appreciate your testimony; appreciate your ideas and comments.

MR. BOOZMAN. Our next panelist, Mr. John McWilliam -- which we really do appreciate coming over and testifying before us -- Deputy Assistant Secretary for Operations and Management, Veterans' Employment and Training Service, Department of Labor.

You are recognized, Mr. McWilliam.

**STATEMENT OF JOHN M. McWILLIAM, DEPUTY
ASSISTANT SECRETARY FOR OPERATIONS AND
MANAGEMENT, VETERANS' EMPLOYMENT AND
TRAINING SERVICE, DEPARTMENT OF LABOR**

MR. McWILLIAM. Thank you, sir, Chairman Boozman and Ranking Member Herseth.

The Veterans' Employment and Training Service has the mission of providing veterans with the resources and the services to succeed in the 21st century workforce. We do this by maximizing their employment opportunities, protecting their employment rates, and meeting labor market demands.

Our budget request for fiscal year 2006 totals \$224,334,000 and covers the Jobs for Veterans State grants, the Homeless Veterans' Reintegration Program, the Veterans' Workforce Investment Program Federal administration, which includes our Federal workforce

of 250 positions, transition services to the military community and the protection of servicemembers' reemployment rights, and the National Veterans' Training Institute for the training of professionals in veterans' employment and training.

Mr. Chairman, under the Jobs for Veterans State grants, funds are made available to each State upon the approval of a State plan to support the DVOP and LVER programs. Our fiscal year 2006 budget supports 2,334 DVOPs and LVERs located in the one-stop career centers. In program year 2003, the public labor exchange performance measure had an entered employment rate for veterans of 58 percent. This means that over 700,000 veterans entered employment through these services.

The Homeless Veterans' Reintegration Program provides grants to operate employment programs that reach out to homeless veterans. As I testified last week, this is an extremely successful program, with marked success.

The Veterans' Workforce Integration Program offers programs designed to provide intensive services to veterans with employment barriers. Our 2006 request will support a program of 17 grantees, serving 2,500 participants.

Since 1990, when the Department of Labor began providing transition assistance program workshops, over 1 million separating and retiring military members have been provided job preparation assistance. This program is a partnership between the Departments of Labor, Defense, Homeland Security and Veterans' Affairs. We have been working with the National Guard and the Reserve on providing transition services to returning servicemembers in many States. Our State directors coordinate with returning unit commanders to offer employment workshops at homesites that are uniquely tailored for the intended audience. Our goal is to provide transition assistance at every location requested by the armed services and the Department of Homeland Security.

Last October Secretary Chao set out to help America's wounded and injured servicemembers when she launched Recovery and Employment Assistance Lifelines. REALifelines provides wounded and injured servicemembers and their families with personal assistance to prepare them for rewarding careers. We currently have representatives at Walter Reed and Bethesda Medical Centers; Fort Lewis, Washington; and Fort Sam Houston, with other locations to include medical holding companies to follow.

The Department of Labor is also a key participant in the recently established Defense Military Severely Injured Joint Support Operations Center.

Mr. Chairman, the use of the Guard and the Reserve has increased dramatically in recent years, and the Department of Labor administers and enforces The Uniform Services Employment and Reemploy-

ment Rights Act. The Department of Defense and the Office of the Special Counsel are also charged with enforcing this act.

Mr. Chairman, the Department of Labor leads a workforce investment system that provides veterans and other job seekers with access to training so that they can gain the skills demanded by employers and succeed in the labor market.

We look forward to continuing to work with the Committee as we serve those who have served. I would be pleased to respond to your questions.

MR. BOOZMAN. Thank you very much, Mr. McWilliam. We do appreciate you coming over.

[The statement of Mr. McWilliam appears on p. 119.]

MR. BOOZMAN. We are a Nation at war, and you have a big job, and we have got a big job in helping you do your job. I think that I can speak for myself and the Ranking Member and the people on this Committee that we really are totally committed to providing you the resources to take care of our veterans.

Let's get back a little bit. You know, you mentioned that title 38, requires VETS to submit an annual report; we haven't gotten one since 2000. Can you tell us a little bit about that as to who decided to skip through the reporting requirement? Are we going to get the 2001, 2002, 2003, 2004 reports?

MR. MCWILLIAM. Mr. Chairman, I do not believe there was a conscious decision not to submit a report. There was a term of turmoil, the reporting system had changed, the reporting performance measures had changed over the last several years, and I believe the report was just never compiled and submitted.

We recognize that this year. We have been working very hard to submit the report. We now have the data. We are just about to put it through departmental clearance and to submit it then to the Committee. We are committed to submitting this report. It does go back and cover the missing years for which a report was not submitted.

MR. BOOZMAN. Would it help if we amend title 38 to split the reporting due dates to better conform to the program year in fiscal year cycles?

MR. MCWILLIAM. Mr. Chairman, I believe it would help to change to the time frame -- perhaps to the May time frame to allow for the clearance procedures. And we would very much like to work with the Committee to establish an exact date for that.

MR. BOOZMAN. The other thing is, we talked on all of the previous two panels a little bit about the accountability measures, for you really to understand what is going on. And I think we are spending a lot of money in trying to help our veterans and things, and know that we need to spend more money, but we need to do a better job with the

monies that we are spending. We have got a goal that we are going to reach, and you are actually reaching that goal, and yet when you really think it through, to me that goal really doesn't mean anything. Like I said, we don't really know what the outcome would be if we just signed a sheet of paper versus the people in the field actively pursuing, trying to work, getting people employed. Can you respond to that? I mean, is that something that you would try to pursue?

And then also I would like that broken out by State, not State regions, some areas of the country. We have got a greater concentration of returning veterans -- maybe there are reasons that we are having problems in some parts of the country because we don't have facilities there, but what I would like to know is where the hot spots are that are not doing well; and then the other thing is where the areas are that we are doing a really good job.

One of the things I am committed to, and I think the Ranking Member also, is to try and get a best practices so that people can benefit from the things that are working.

MR. MCWILLIAM. Mr. Chairman, we do have results by State, and we can certainly provide that to the Committee.

[The attachment was not provided at press time.]

MR. MCWILLIAM. We have a very comprehensive performance accountability system, and if I may describe it for a moment, it starts with a State plan. The State plans have six performance measures at the Public Labor Exchange, and those are the ones we have been discussing with earlier panels; for instance, 58 percent entered employment for all veterans going through there.

There is also 17 negotiated measures at the State grant level, which is at the DVOP and LVER level. And this is very specific. It starts with entered employment for all veterans who receive services -- pardon me, all veterans who are in the career one-stop, but then it includes enter employment after receiving staff-assisted services, entered employment after receiving case management services, and then retain employment. We do that for all veterans, we do that for the disabled veterans, and we also do a subset for the newly separated veterans.

So there are 17 performance measures that are reviewed. These are negotiated on a State-by-State level with our State director and the State workforce administration. On a quarterly basis this information is reported through our State directors to the regional directors to our national office. We look at this very closely. Anything that is outside of tolerance, I believe plus or minus 5 percent, requires a risk analysis to be done and a corrective action to be looked at. We provide technical assistance to that one-stop or to that State to make those corrections.

There is also a quarterly manager's report, Mr. Chairman, that is presented that identifies items that we have been talking about today, such as use of the veterans representatives not to service veterans. And it also identifies best practices, because best practices are identified to the State workforce agencies so that they can be used in other agencies.

MR. BOOZMAN. Also, there was concern about block granting. I was on the school board for 7 years prior to coming to Congress, and we had great concern in that regard. In the sense that many of the States, as you know, now are struggling to keep their head above water, there is a tendency to shift things around. Is that a concern for you?

MR. McWILLIAM. Mr. Chairman, we are very concerned that under WIA Plus the veterans continue to receive priority of service and continue to achieve the performance goals that we have. We do think it is an advantage, but there would be an additional potential of \$3.2 billion in training dollars available to veterans, and also for which they would receive priority of service within the one-stops.

As you mentioned, the performance measures would still remain in place. The State plans would still have to be produced and submitted. We have worked with the Employment and Training Administration to ensure that the VETS would be part of that negotiation of those performance measures for the State plan, and also in reviewing the performance under those State plans.

Mr. Chairman, our Deputy Assistant Secretary Tom Dowd from our Employment and Training Administration is here today, if the Committee would like to ask any further questions concerning WIA Plus.

MR. BOOZMAN. The other thing that was mentioned is that we really don't -- and you can correct me, but we really don't have a handle as far as -- not a handle on, withdrawing the funds. Do we need to give you some authority, or whatever, to spank hands a little bit and get more and more aggressive where you really do have the ability to make sure -- you can't tell me that there is not somebody amongst the 50 States abusing what we are talking about. There is just no ifs, ands or buts, it is happening someplace.

Do we need to have greater flexibility if we see that really done in a systemic way versus an accidental way, do we need to give you the ability to come down on them -- you understand what I am saying?

MR. McWILLIAM. I do, Mr. Chairman. Thank you very much. And we would very much like to talk to the Committee about those issues. We think perhaps that might be tied to the incentive awards program, and we would like to talk to the Committee about that because it is not being abused by 29 of the States. For various reasons they are not able to participate in that or have decided not to participate in that.

We have found at this point, Mr. Chairman, that by providing technical assistance on the quarterly review of the reports that we receive, that we are able to influence the States to achieve their performance.

MR. BOOZMAN. Thank you.

Ms. Herseth.

MS. HERSETH. Thank you, Mr. Chairman. And thank you, Mr. McWilliam.

Let me start out with something that happened last year. The Appropriations Committees in both the House and the Senate issued parallel instructions to the Department of Labor regarding several veterans employment and training programs in various topics, including adding a module on homelessness prevention to the TAP curriculum, outstationing of DVOP and LVERs to the HVRP grantee sites, and implementing the jobs for veterans' priority of service mandate. So if you could talk just generally about the steps the Department is taking in implementing the instructions. And then specifically, has the Department issued guidance to State workforce agencies about the outstationing of DVOPs and LVERs in locations where homeless veterans congregate? And does the Department of Labor plan to issue formal -- and promulgate formal regulations rather than just issuing the guidance letters on the priority of service mandate with the Jobs for Veterans Act?

MR. MCWILLIAM. Thank you, ma'am. Let me -- addressing homelessness in the TAP workshops, we are working with the Department of Defense and the Department of Veterans' Affairs through the TAP Steering Group to add that. We have not decided yet -- the group has not decided yet on what form that needs to take and how to address that, but we will keep the Committee informed on how that goes forward.

We do provide guidance, when we issue guidance on the State plans, for the States about the outstationing of DVOPs. Currently there are 34 DVOPs who spend a substantial portion of their time at HVRP grantees.

MR. MCWILLIAM. On priority of service, we have issued administrative notices to the States concerning how priority of service is to be implemented within each of the DOL-funded programs. I do not know if we have a position on publishing regulations, ma'am, but we will provide that information to you.

MS. HERSETH. I think that is particularly important, because while much of the testimony today -- and my position, being inclined to oppose the block grants because of concern, that we would have to -- your response to the Chairman was, well, if that were to happen under WIA Plus with the block grants, we would have certain things in place as it related to priority of service. But if it is only administrative notice, it has to be a formal regulation, in my opinion.

And I hope that this doesn't happen, as I said. But in the event that it does, it highlights the importance of having those regulations in place beyond the guidance letters, beyond the administrative notice.

Now, I want to -- I have two more questions. If you could elaborate on efforts that VETS has made to provide outreach to returning National Guard and Reserve personnel particularly, maybe in coordination with State and National Guard and Reserve leaders -- in South Dakota, I feel that we have been very proactive in doing that and co-ordinating, even at the demobilization sites in many respects. Would you elaborate on the efforts the Department of Labor has taken?

MR. MCWILLIAM. Certainly, ma'am, thank you. South Dakota is a very good example. We have a very proactive DVOP State director there. We have instructed and asked all of our State directors to make contact with the State adjutants general to find out exactly what kinds of services need to be provided to returning service members. We provide a representative of every demob site, demobilization site, who gives a short class on USERRA and reemployment, Re-employment Rights Act, and mentioning the transition services that are available for returning service members. I believe that covers it.

As we said, we will send a representative to every demobilization site and, pardon me, at the same time we will also offer to the unit commanders to provide them a much more extensive transition assistance program when the unit has the next drill, or it can have a period of time. I know in some cases in South Dakota they actually put people on orders and send them to TAP down at Fort Carson so they can participate.

MS. HERSETH. That is right. I am glad what you said just a minute ago in terms of the next drill, you know, after that. Because the follow-up here is so important and these folks are getting back. They just want to get through where they are to get home to their families. So if we can have that ongoing outreach, that proactive attitude toward reaching out to the service members that are returning.

My last question takes us back to the President's National Hire Veterans' Committee. In response to one of my questions last week during the Subcommittee's legislative hearing, you stated that the Committee is being funded through the DVOP and LVER grant program resources.

However, I would like you to just clarify the stream of money here. Because when I look at the record, the House of Representatives record, May 20th, 2002, the report of this Committee, as well as a joint explanatory statement on Senate amendments to House amendments on H.R. 4015 -- and I am going to read that section for you -- it is unclear to me that there is authority to fund the Committee in such a manner.

It reads, "This section," section 6, "would authorize 3 million to be appropriated to the Secretary of Labor from the Employment Securi-

ty Administration Account of the Unemployment Trust Fund for each of the fiscal years 2003 through 2005 for the President's National Hire Veterans Committee."

So could you just clarify if that money is actually being taken out of that account and then put over into the grant resources for the DVOPS and LVERs and then to the Committee; or how is that working exactly?

MR. MCWILLIAM. Ma'am, the appropriation that we receive each year is from the account that you just mentioned. It is to fund the activities that were identified in chapter 41 of Title 38, which includes the President's National Hire Veterans Committee. So I think we -- I think perhaps the best approach to this -- I believe we had contact with members of your staff, and I think we need to have a meeting to sit down and fully explain it. I believe one is scheduled next week, ma'am, to understand this.

MS. HERSETH. If we can just get some clarification. It just comes down to the importance of the accountability that the Chairman had mentioned at the outset; as well, as in addition to getting fully briefed on this particular component also, a more specific financial sheet that we had requested; as well as in terms of the expenses in how the expenditures are being made and targeted.

MR. MCWILLIAM. Yes, ma'am. We have been working on that. We have that just about ready and should put it into clearance with the Committee to submit it in the next couple of days.

MS. HERSETH. Thank you very much.

Thank you, Mr. Chairman.

MR. BOOZMAN. Just a couple of things, real quick. The Jobs for Veterans Act requires a priority of service for veterans, not only for jobs, but in the DOL training programs. Has the VETS established training goals for each program? If so, what are they? Does VETS collect data on the number of veterans enrolled in the DOL training programs?

Does the data reflect any relativity to the number of veterans seeking training and employment in a given area?

MR. MCWILLIAM. Thank you, Mr. Chairman. As I said, we have provided guidance to everyone in all of the programs funded by Department of Labor on what priority of service means. We do accumulate the data on how many veterans are present in the population that is being serviced by that program. We will include that in our annual report, a description of the priority of service within the various programs funded by the Department of Labor.

MR. BOOZMAN. Thank you. One last thing, and, again, this is kind of a follow-up to what we were talking about earlier. The Jobs for Veterans Act directs the Secretary to require poor-performing States to submit a plan to correct their deficiencies. Has any State been judged to be deficient and provided such a plan?

The act also requires the Secretary to analyze the extent and reasons for the State's failures to meet the minimum standard, together with the State's plan for corrective action for the succeeding year. Again, have we done that analysis?

MR. MCWILLIAM. Mr. Chairman, to carry out that provision, we first have to establish the uniform national threshold and/or employment rate. We have been unable to do that due to sufficient data.

We are currently accumulating new data under the system, and, as I believe GAO mentioned, for fiscal year 2007 we will have that national rate and we will be able to evaluate those programs.

However, in the interim, we do on a quarterly basis review the States' performance against their negotiated performance measures and take corrective actions by providing technical assistance to them so that they can achieve their negotiated rates.

MR. BOOZMAN. So I guess, then, by that there have been some States that have had some problems?

MR. MCWILLIAM. Yes, sir, there are. By the quarterly reporting system, by the 17 performance measures that we require to be reported, along with the 6 at the Public Labor Exchange, it makes it possible for a State director and the regional director to identify the State that is having a problem to then provide technical assistance. I was talking to a regional administrator just last week. He told me of a State where that happened. They were able to respond. They were able to identify what was causing the issues with the problems within that State and help them put in corrective measures to increase their performance.

MR. BOOZMAN. Have you got any other things? Again, thank you very much for your testimony. We do appreciate your hard work. Like I say, this Committee will assist you in any way that we can.

MR. MCWILLIAM. Thank you, Mr. Chairman.

MR. BOOZMAN. The meeting stands adjourned.

[Whereupon, at 4:35 p.m., the Subcommittee was adjourned.]

APPENDIX



TESTIMONY

of

Richard Jones
AMVETS National Legislative Director

before the

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
U.S. House of Representatives

on

The U.S. Department of Labor's Veterans Employment and
Training Service (VETS)



Thursday, May 12, 2005
334 Cannon House Office Building

AMVETS

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Chairman Boozman, Ranking Member Herseth, and members of the Subcommittee:

AMVETS is honored to join fellow veterans service organizations at this hearing on the U.S. Department of Labor Veterans Employment and Training Service (VETS). My name is Richard A. Jones, AMVETS National Legislative Director, and I am pleased to provide you with our views on VETS programs and the resources necessary to carry out their mission.

I would like to first start off by thanking you, Mr. Chairman, for inviting us here today, and I commend you and all members of this newly formed subcommittee for your review of veterans employment programs. I look forward to working with you all.

With thousand of veterans returning home from the Global War on Terrorism each and every day, it is clear that alleviating unemployment and underemployment among veterans is a national priority. Although the Department of Veterans Affairs (VA) is responsible for providing most services to our Nation's veterans, the Department of Labor (DOL) is specially tasked with designing and administering programs to help veterans obtain employment and training assistance.

VETS administers national programs intended to ensure that veterans receive priority in employment and training opportunities – a preference provided them under current law. VETS two primary programs that provide employment and training assistance to veterans are the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representatives (LVER) program. Through the implementation of the DVOP and LVER program, VETS assists not only veterans, but also helps Reservists and Guard Members in securing employment and protecting their employment rights and benefits.

AMVETS is committed to seeing that our veterans receive all the employment benefits that they earned and deserve. In a time of war, we must remain committed to ensure returning veterans continue to receive the special job training services DVOPs and LVERs provide.

For decades, DVOPs and LVERs have been the cornerstone of employment services for veterans. We believe that it is important for States to continue to be required to hire veterans for these positions. Part of this reason is that these individuals are veterans advocating for veterans. After all, DVOP and LVER staff are the front-line providers for services to veterans. They are the individuals who provide a smooth transition of servicemembers from the military to the civilian workforce. In our view, these people should be veterans.

A practical example of just how important it is for veterans to advocate for veterans can be found within our own organization. The AMVETS Department of Ohio developed and fully operate a 501(c) 3 career center designed to assist veterans in their career needs. The AMVETS Career Center provides a range of services to help veterans find employment in a substantial career, or assists them in refreshing and/or upgrading their skills. For example, the Center can help a veteran learn more about computers, business math, business grammar, business management, word processing, database management and so on.

The AMVETS Career Center provides these services to veterans who are homeless, unemployed or underemployed, those who want to prepare for a new career or better job, and to recently separated veterans who are making the transition to the civilian workforce. The Center also provides services to non-veterans from the community for a small fee of \$50.00. There is no cost to the veteran.

Mr. Chairman, this is just one example of the fine work veterans do for their fellow veteran. They have a natural attachment to the veteran and play a pivotal role in making sure veterans who come back to their hometown have every advantage to excel and be a part of the local workforce.

Through VETS programs, veterans have access to skills assessment, individual job counseling, labor market information, classroom or on-the-job training, skills upgrading and retraining, and placement services. Congress must carry out its national policy that veterans must receive

priority employment and training opportunities, and hold accountable those entities that do not follow the law.

We were very troubled to learn of an amendment that was intended to be offered to the recently House-passed *Job Training Improvement Act of 2005*, H.R. 27. The amendment would have allowed Governors to consolidate and block grant the DVOP and LVER program. We remain firmly committed to the belief that this type of veteran oriented program should remain separate and distinct to ensure that these brave men and women are given the assistance their country owes them for their military service. As the Senate now considers H.R. 27, we ask for your assistance in getting the word out to members in the other body that this consolidation effort should not be entertained. It would be a grave error to downgrade employment services that specifically help troops returning to the country they fought to defend.

On a related point, AMVETS is particularly disappointed that a proposal to transfer VETS from the Department of Labor to VA is still being discussed. We have testified in opposition to such a shift and we remain strongly opposed.

Shifting VETS to VA from DOL will not improve the employment and training needs of veterans. DOL knows the job market and skills required to fill jobs beyond any other executive department. While we do see the need for DOL to review its structure and process for the delivery of employment services to veterans, we do not see how VA would effectively run a program that so naturally suits DOL. VA has its own challenges with resource needs to address veterans health care and backlogs in claims processing. We fear that forcing VA to integrate VETS programs would only compromise the main mission of VA. Therefore, we do not believe that moving VETS to VA is a wise solution to improving veterans employment services or improving job placement for veterans.

We are encouraged by the Administration's recommended increase in VETS resources for fiscal year 2006. The President's Budget calls for a \$1.5 million increase from the \$222.8 million allotted in FY2005, despite a 4.4 percent cut in total DOL funding. About \$162 million of the

proposed VETS budget would go to state grants through the *Jobs For Veterans Act*. We ask for your strong commitment in supporting the Administration's request for these funds in the congressional budget and final appropriations for the new year. It is our hope that Congress will recognize their special obligation to those who have served, especially to those who are just recently veterans, and provide VETS with the adequate funding and increases they need to carry out their important mission.

We as a Nation must keep the promises made to those who served in our Armed Forces. Just one of these promises is to help veterans overcome employment barriers and ease their transition into gainful employment. I think we all would agree that there is a need to improve outreach efforts to potential employers. And it is likely that we would also agree that we can do a better job introducing veterans to employers. It is my hope that through the efforts and cooperation from the subcommittee and the VSOs, we can accomplish this goal and fulfill our promise.

Mr. Chairman, this concludes my statement. AMEVTS looks forward to working with you and the entire subcommittee to ensure we help meet the needs of America's veterans and their families. We have much to do, but we are encouraged in knowing our work will help determine the future of our Nation.

I thank you again for the privilege to present our views, and I would be pleased to answer any questions you might have.

Richard "Rick" Jones
National Legislative Director

Richard "Rick" Jones joined AMVETS as the National Legislative Director on January 4, 2001. As legislative director, he is the primary individual responsible for promoting AMVETS legislative, national security, and foreign affairs goals before the Departments of State, Defense, and Veterans Affairs, and the Congress of the United States.

Rick is an Army veteran who served as a medical specialist during the Vietnam War era. His assignments included duty at Brooke General Hospital in San Antonio, Texas; Fitzsimmons General Hospital in Denver, Colorado; and Moncrief Community Hospital in Columbia, South Carolina. At Moncrief Hospital, Rick was selected to assist in processing the first members of the all-volunteer Army.

Rick completed undergraduate work at Brown University prior to his Army draft and earned a Master Degree in Public Administration from East Carolina University in Greenville, North Carolina, following military service.

Prior to assuming his current position, Rick worked nearly twenty years as a legislative staff aide in the offices of Senator Paul Coverdell, Senator Lauch Faircloth, and Senator John P. East. He also worked in the House of Representatives as committee staff for Representative Larry J. Hopkins and Representative Bob Stump.

In working for Rep. Stump on the House Committee on Veterans' Affairs, he served two years as Republican minority staff director for the subcommittee on housing and memorial affairs and two years as Republican majority professional staff on funding issues related to veterans affairs' budget and appropriations.

Rick and his wife Nancy have three children, Sarah, Katherine, and David, and reside in Springfield, Virginia.

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S
E R V I N G
W I T H
P R I D E



May 12, 2005

The Honorable John Boozman, Chairman
Subcommittee on Economic Opportunity
House Veterans' Affairs Committee
Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Boozman:

Neither AMVETS nor I have received any federal grants or contracts, during this year or in the last two years, from any agency or program relevant to the May 12, 2005, Subcommittee hearing on the U.S. Department of Labor Veterans Employment and Training Service (VETS).

Sincerely,

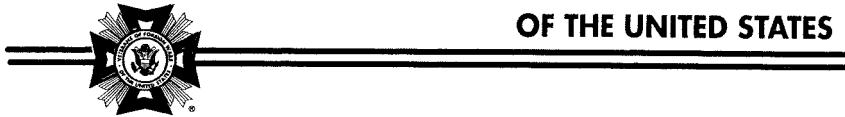
A handwritten signature in black ink, appearing to read "Richard Jones".

Richard Jones
National Legislative Director

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VETERANS OF FOREIGN WARS



STATEMENT OF

JAMES N MAGILL, DIRECTOR
 NATIONAL EMPLOYMENT POLICY
 VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
 COMMITTEE ON VETERANS AFFAIRS
 UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

OVERSIGHT OF THE U.S. DEPARTMENT OF LABOR'S
 VETERANS EMPLOYMENT AND TRAINING SERVICE

WASHINGTON, D.C.

MAY 12, 2005

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 2.4 million men and women of the Veterans of Foreign Wars (VFW) and our auxiliaries, I wish to express our appreciation for being invited to articulate our views in today's oversight hearing on the U.S. Department of Labor's Veterans Employment and Training Service (VETS). We appreciate your continuing concern for our nation's veterans and their ability to be gainfully employed.

As representatives of the VFW travel throughout our nation and visit military installations overseas, one of the most frequently expressed concerns is whether military personnel will be able to transfer their skills to the private sector when they are released from active duty or retire. The VFW is also hearing from veterans who have retired and realize they now need to supplement their retirement income. They too are concerned about the possibility of not being able to find employment.

Mr. Chairman, veterans deserve and have earned an employment service dedicated specifically for them. They currently have such a system and while the VFW does not believe that system is broken, we do believe it can and must be improved.

The VFW supported the provisions of the "Jobs for Veterans Act" (P.L. 107-288) as it provided a crucial element for VETS to be successful; that being "accountability." While progress is being made to implement P.L. 107-288, there are still no clear, well defined performance standards that can be used to compare one state to another or, for that matter, one office to another office within a state. Even where such standards have been produced, VETS and its regional administrators have almost no authority to reward a good job or impose sanctions for poor performance. It appears the only concrete tools VETS has at its disposal are its staff member's disciplinary skills and personal relationships that may have developed. It should be noted that similar problems in holding local managers accountable for performance are also being experienced by some State Employment Security Agency administrators. This may be attributable to the limits imposed on state civil service systems.

The only real authority, although seldom used, is the power to recapture funds when a state is in violation of law. The VFW believes this course of action could ultimately prove detrimental to the veteran and should only be used as a last resort.

For several years, many have seen a need for standards to be put in place for Disabled Veterans' Outreach Program specialists (DVOPs) and Local Veterans' Employment Representatives (LVERs). Addressing this need, VETS initiated performance measures in 2002 that applied to all veterans served by the public labor exchange. In 2004, these same performance measures were applied to DVOPs and LVERs. These reforms are essential for a viable and accountable veteran placement service which meets congressional intent as expressed in 38 USC 4102.

The VFW believes VETS must complete its development of meaningful and enforceable performance standards and reward states that exceed established standards by providing additional funding. P.L. 107-288 authorizes VETS to provide cash and other incentives to individuals but not entities. Congress should amend this law so entities such as career One-Stop may be recognized.

The progressive movement toward One-Stops does not diminish the role of DVOPs and LVERs in providing employment services to veterans. The advantage of face-to-face interaction between DVOPs/LVERs and veterans is much too valuable to be eliminated.

The National Veterans Training Institute (NVTI) was established in 1986 and authorized in 1988 by P.L. 100-323. The NVTI is administered by staff from the DOL/Veterans Employment and Training Service (VETS) through a contract currently with

the University of Colorado at Denver. The NVTI trains federal and state employees and managers who provide direct employment and training services to veterans and service members. The NVTI curriculum offers courses for staff of the Disabled Veterans' Outreach Program and Local Veterans' Employment Representatives Program in core professional skills, marketing and accessing the media, case management, vocational rehabilitation and employment program support, and facilitation of Transition Assistance Program (TAP) workshops.

The VFW is concerned that, after several years of level funding, appropriations for the NVTI for FY 2005 actually decreased. This reduction compromises the ability of the institute to provide quality training to those individuals serving veterans.

Congress must fund the NVTI at an adequate level to ensure training is continued as well as expanded to state and federal personnel who provide direct employment and training services to veterans and service members in an ever-changing environment.

Mr. Chairman, in recent years there has been an increased reliance on licensure and certification as a primary form of competency recognition. The public, professional associations, employers, and the government have turned to credentialing to regulate entry into employment. Hundreds of professional and trade associations currently offer certificates in their fields, and there have been an increase in occupational regulation by both state and federal governments. Trends suggest that in the 21st century reliance on competency examination recognition will increase.

The emphasis on Licensing and Certification can present barriers for transitioning military personnel seeking employment in the civilian workforce. Current standards are developed based on traditional methods for obtaining competency in the civilian workforce. As a result, many transitioning military personnel who have received their career preparation through the military find it difficult to meet certification and licensing requirements because the civilian sector lacks recognition of military training and experience. Those who are able to obtain employment in their fields without the applicable credentials may face decreased earnings and limited promotion potential.

While pilot programs have been initiated in some states to provide credentialing to service members in a limited number of fields, more must be done to assist transitioning military personnel to utilize their specialized training in obtaining civilian employment. A standardized licensure and certification requirement must be adopted by the appropriate

federal and state agencies and recently separated service members must be afford the opportunity to take licensing and certification exams without a period of retraining.

The VFW regards the Homeless Veterans' Reintegration Program (HVRP) as one of the most effective and beneficial federally funded programs for homeless veterans.

Providing grants to various state, federal, commercial and non-profit agencies and organizations, HVRP provides a multitude of services to homeless veterans including the all too crucial job training, counseling, resume preparation and placement. The VFW strongly recommends Congress to appropriates at least \$50 million annually to enable the HVRP to continue its unparalleled accomplishments.

In closing Mr. Chairman, I would like to comment on the Administration proposal know as "WIA Plus". This proposal would fund the DVOP/LVER Program through a block grant to be used at the discretion of state governors. The grant would be administered by the Employment and Training Administration thus resulting in VETS having to relinquish all control and administration of the DVOP/LVER program. This proposal has the potential to ultimately lead to the dismantlement of both the DVOP/LVER programs as well as VETS itself. The VFW believes VETS is the proper office to continue to administer and provide oversight to this crucial veterans' program and therefore strongly opposes WIA Plus.

This concludes my statement, we look forward to working with you and members of your Subcommittee in preserving and enhancing the entitlements and benefits our nation's veterans have earned.

James N. Magill, Director
National Veterans Employment Policy
Veterans of Foreign Wars of the United States

James N. Magill, a native of the Chicago suburb Aurora, Illinois has been a member of the Veterans of Foreign Wars (VFW) Washington Office staff since 1981 and is currently the Director of National Veterans Employment Policy.

Prior to being honorably discharged from the U.S. Navy in 1971 as a Hospital corpsman 2nd class, Jim served in Vietnam as a Rifle Platoon Corpsman and the 3rd Battalion, 1st Marines, 1st Marine Division. Upon his discharge, he joined the staff of U.S. House of Representatives as a Legislative Analyst responsible for legislation relating to veterans affairs. While working of the House of Representatives, he attended evening classes at George Washington University under the GI Bill where he earned his degree in Business Administration.

Jim resigned his position with the U.S. House of Representatives to join the Washington Legislative Staff as a Special Assistant Director and then later became the Director of National Legislative Service.

Currently as the Director for Veterans Employment Policy, Mr. Magill maintains liaison with federal officials. He works to ensure that policies and procedures for assisting veterans in obtaining and retaining federal employment are carried out in accordance with the spirit and intent of established laws.

He and his family reside in Gaithersburg, Maryland.

THE VETERANS OF FOREIGN WARS OF THE UNITED STATES IS NOT IN RECEIPT
OF ANY FEDERAL FUNDING OR FEDERAL GRANTS



**STATEMENT OF CARL BLAKE,
ASSOCIATE LEGISLATIVE DIRECTOR,
PARALYZED VETERANS OF AMERICA
BEFORE THE HOUSE COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
CONCERNING
THE VETERANS EMPLOYMENT AND TRAINING SERVICE (VETS)
AND THE PROGRAMS IT ADMINISTERS**

MAY 12, 2005

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EXECUTIVE SUMMARY

Transition Assistance Programs (TAP/DTAP)

- TAP program has been successful, but there is more to be done.
 - Continue emphasis on programs at overseas installations
- DTAP program has not been as successful.
 - Severely disabled veterans often fall through the cracks.

The Homeless Veterans Reintegration Program (HVRP)

- HVRP provides help for those veterans with the most significant problems from substance abuse, severe PTSD, serious social problems, legal issues, and HIV.
- HVRP one of the most cost-effective, cost-efficient programs in the federal government.
- The Administration requested only \$22 million for HVRP for FY 2006, but the program is authorized \$50 million. Adequate funding must be provided.
- PVA recommends that it be reauthorized through FY 2011.

Disabled Veterans Outreach Program (DVOP)/Local Veterans Employment Representatives (LVER)

- P.L. 107-288 required VETS to implement focused performance measures on DVOP and LVER staff.
 - Prevent staff from “cherry picking” the easiest individuals to employ.
- The advantage of face-to-face interaction between DVOP and LVER staff and veterans is critical. These positions should not be reduced.

Licensing and Certification

- Licensure and certification creates a significant barrier to employment for transitioning servicemembers.
- VETS must coordinate with DOD and certifying agencies and organizations to provide a smooth transition for employment.
- PVA recommends that a standardized licensure and certification requirement be adopted by federal and state agencies, and VETS must facilitate this process.

The National Veterans Training Institute

- PVA is concerned that after years of flat funding, appropriations for the NVTI for FY 2005 were reduced.
- PVA opposes efforts to consolidate grants that fund DVOP and LVER staff.
- DVOP and LVER staff are at risk of being eliminated if funding is consolidated with other employment programs.

Chairman Boozman, Ranking Member Herseth, members of the Subcommittee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to testify today on the Department of Labor's Veterans Employment and Training Service (VETS). The programs administered by VETS are vital in providing veterans with job training and placement into employment following military service. These services are an important benefit that all service members are entitled to and deserve. It is incumbent upon Congress, the federal agencies, and the veterans' service organizations (VSO) to ensure that all veterans are prepared to enter the civilian workforce upon leaving the military. This is particularly true now as many veterans are returning from the front lines of the war on terror and leaving military service.

PVA is an organization of veterans who are catastrophically disabled by spinal cord injury or disease. Our members and other individuals who suffer from similar injuries or diseases do not receive proper consideration for employment when applying for a job. This is often due to barriers in the workplace, false perceptions of the potential costs to employers of hiring people with disabilities, and the perceptions many people still have about veterans. However, veterans and disabled veterans have earned and deserve consideration within the workforce. I will limit my remarks today to the VETS programs that PVA has worked with or to the programs that have been addressed by *The Independent Budget*.

TRANSITION ASSISTANCE PROGRAMS (TAP/DTAP)

The Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP) is generally the first service that a separating service member will receive. These programs offer job-search assistance and related services. TAP consists of comprehensive three-day workshops at selected military installations both in the United States and overseas. DTAP was established for service members leaving the military with a service-connected disability. This program is meant to include the normal three-day TAP workshop plus additional hours of individual instruction to help determine job readiness and address the special needs of disabled veterans.

Although PVA believes that the TAP program has been successful, more remains to be done. Continued emphasis on conducting these programs at overseas installations is a must to meet the shifting locations of our military men and women. PVA also believes that the DTAP program has not achieved the same level of success that the TAP program has. PVA members are most likely to get transition services from the DTAP because they are exiting the military through the medical retirement process. However, many times severely disabled veterans needing DTAP services fall through the cracks, especially spinal cord injured veterans who may already be getting health care and rehabilitation from a Department of Veterans Affairs (VA) spinal cord injury center despite still being on active duty. Because these individuals are no longer located on or near a military installation, they are often forgotten in the transition assistance process. Although they may be eligible for Vocational Rehabilitation and Education through the VA, this does not mean they should not receive the DTAP services to which they are entitled.

While the servicemember may be at a VA medical facility, they are still assigned to the nearest military installation as a medical holdover. It is incumbent upon VETS to ensure that the necessary staff go to the medical facility—either VA or a private rehab facility-- where the severely injured servicemembers are being treated to provide DTAP services. This could be done once a month or even once a quarter so long as it is actually being done.

HOMELESS VETERANS REINTEGRATION PROGRAM

The VA estimates that approximately 275,000 veterans are homeless on any given night, and that more than 500,000 veterans experience homelessness in a year. PVA believes that the key to overcoming homelessness among the veterans population is employment. A veteran is unable to provide for himself or herself, much less a family, without the benefit of gainful employment. The Homeless Veteran Reintegration Program (HVRP) managed by VETS is a valuable program focusing on employment of homeless veterans. This program has achieved wonderful success since its inception almost 20 years ago. The HVRP provides help for those veterans with the most significant problems from substance abuse, severe PTSD, serious social problems, legal issues and HIV. The specialized services needed for these veterans are often the only hope.

The HVRP is perhaps the most cost-effective and cost-efficient program in the federal government. In spite of the success of HVRP, it remains severely underfunded. Even more tragically, DOL does not request a full appropriation in its budget submission. For

FY 2006, the Administration only requested \$22 million to support this program. However, P.L. 107-95, the “Homeless Veterans Comprehensive Assistance Act of 2001,” authorized \$50 million through FY 2006. PVA, as a member of the National Coalition for Homeless Veterans (NCHV), supports the need to expand funding from the level proposed in the budget request. Likewise, PVA recently supported proposed legislation that was considered by this Subcommittee at a hearing on May 4, 2005, that would extend the authorization of the HVRP provided in P.L. 107-95 through FY 2008. In fact, PVA believes that the programs should be reauthorized for five more years, through FY 2011.

DVOPs/LVERs

Perhaps the most important services provided by VETS are done by Disabled Veterans’ Outreach Program (DVOP) coordinators and Local Veterans’ Employment Representatives (LVER). PVA, along with many other veterans service organizations, worked for years to have clear performance standards put in place for both DVOP and LVER staff. In 2002, VETS initiated limited performance measures based on the rates of employment and retention.

Following the enactment of P.L. 107-288, the “Jobs for Veterans Act,” VETS began implementing more focused performance measures for DVOP and LVER staff. These changes were meant to emphasize the placement of severely disabled veterans and other veterans facing barriers to employment and to avoid some forms of “cherry picking.” Though it is unpleasant to accept, when someone’s job is at risk, human nature may cause

the employment specialist to select the easy placement, over the one requiring greater effort. The revision of the duties of DVOP and LVER staff in the "Jobs for Veterans Act" and the continuing efforts of VETS to establish meaningful performance standards are essential to reinforcement of the services they provide. PVA welcomes these changes as they are essential to a viable job placement service.

PVA remains concerned that the race to simplify, computerize and decentralize the employment system through electronic-based self-service systems and one-stop career service centers might diminish the role of DVOP and LVER staff. We do believe there are some advantages to one-stop veterans' job service offices. The ability of a disabled veteran, who may have difficulty leaving his or her home, to have access to the employment services provided can be a tremendous benefit. However, the advantage of face-to-face interaction between DVOP and LVER staff members and veterans cannot be overstated. It seems that unless there is a paradigm shift, the number of DVOP specialists and LVER staff will be reduced.

LICENSING AND CERTIFICATION

The emphasis on licensure and certification for service members transitioning to the civilian workforce can present significant barriers to employment. Most credentialing standards for civilian employment are based on traditional education and training methods. Unfortunately, there is a lack of civilian recognition of military schooling and experience for the purposes of licensing and certification. This lack of recognition may make it

difficult for transitioning service members to compete with their civilian peers or it may prevent employment entirely. PVA understands that this is not an easy problem to overcome.

The Independent Budget outlines our concerns about the licensure and certification of transitioning military personnel. It states:

The Independent Budget veterans service organizations (IBVSOs) believe that there are a number of factors that have an impact on the ability of current and former military personnel to obtain civilian credentials. Many civilian credentialing boards do not have adequate knowledge of and do not give proper recognition to military training and experience. There is a lack of clarity regarding the procedures for exchange of transcripts between military and civilian credentialing boards that creates undue barriers for military personnel.

PVA believes that VETS must make every effort to coordinate between the Department of Defense and certifying agencies and organizations. VETS must also be involved in coordinating between federal agencies and private industry. In accordance with *The Independent Budget*, PVA recommends that a standardized licensure and certification requirement be adopted by the appropriate federal and state agencies, and that VETS must facilitate this process. Likewise, recently separated service members must be afforded the opportunity to take licensing and certification exams without a period of retraining.

THE NATIONAL VETERANS TRAINING INSTITUTE

The National Veterans Training Institute (NVTI) was established by Congress in 1986. The institute is responsible for training state and federal employees and managers who

provide direct employment and training services to veterans and service members. The NVTI provides a curriculum that addresses veterans' benefits, transition assistance, case management, marketing and accessing the media, and management of veterans' services as well as veterans' reemployment rights case investigation and grants management.

As explained in *The Independent Budget* for FY 2006, PVA is concerned that after several years of flat funding, appropriations for FY 2005 for the NVTI were reduced. This reduction threatens the ability of the NVTI to provide quality training to VETS staff, particularly the DVOP and LVER staff. In accordance with the recommendation of *The Independent Budget*, we urge you to fund the NVTI at an adequate level to ensure that veterans' employment specialists continue to receive quality training.

PVA has some concerns about the affect of proposed changes to the grant program that funds the DVOP and LVER staff. We are particularly concerned about the proposals that would provide a consolidated grant to the states for employment service programs. Governors would then be given the authority to distribute grant money to any employment program they administer with no clear specification for priority of services. Although the "Jobs for Veterans Act" reaffirmed the priority of service to veterans and disabled veterans in employment service centers, PVA has seen no accountability measures proposed that would ensure that states adhere to this priority.

PVA believes that DVOP and LVER staff positions will be at risk of being eliminated if funding for DVOP specialists and LVERs is consolidated with other employment programs. These positions could be eliminated in favor of other employment service program staff who provide similar services at employment service offices.

PVA looks forward to working with this Subcommittee to ensure that veterans have access to the employment services that they have earned and deserve. I would be happy to answer any questions that you might have. Thank you.

Information Required by Rule XI 2(g)(4) of the House of Representatives

Pursuant to Rule XI 2(g)(4) of the House of Representatives, the following information is provided regarding federal grants and contracts.

Fiscal Year 2005

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation — National Veterans Legal Services Program— \$228,000 (estimated).

Paralyzed Veterans of America Outdoor Recreation Heritage Fund – Department of Defense -- \$1,000,000.

Fiscal Year 2004

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation — National Veterans Legal Services Program— \$228,000 (estimated).

Fiscal Year 2003

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation — National Veterans Legal Services Program— \$228,803.

**William Carl Blake
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Carl Blake is an Associate Legislative Director with Paralyzed Veterans of America (PVA) at PVA's National Office in Washington, D.C. He represents PVA to federal agencies including the Department of Defense, Department of Labor, Small Business Administration, and the Office of Personnel Management. In addition, he represents PVA on issues such as homeless veterans and disabled veterans' employment as well as coordinates issues with other Veterans Service Organizations.

Carl was raised in Woodford, Virginia. He attended the United States Military Academy at West Point, New York. He received a Bachelor of Science Degree from the Military Academy in May 1998. He received the National Organization of the Ladies Auxiliary to the Veterans of Foreign Wars of the United States Award for Excellence in the Environmental Engineering Sequence.

Upon graduation from the Military Academy, he was commissioned as a Second Lieutenant in the United States Army. He was assigned to the 1st Brigade of the 82nd Airborne Division at Fort Bragg, North Carolina. Carl was retired from the military in October 2000 due to a service-connected disability.

Carl is a member of the Virginia-Mid-Atlantic chapter of the Paralyzed Veterans of America.

Carl lives in Fredericksburg, Virginia with his wife Venus and son Jonathan.

**STATEMENT OF
BRIAN E. LAWRENCE
ASSISTANT NATIONAL LEGISLATIVE DIRECTOR
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES
MAY 12, 2005**

Executive Summary

DVOP/LVER

The DAV is concerned that certain state employment centers have assigned duties to DVOP/LVERs that are inconsistent with the VETS mission. DVOP/LVERs should be exclusively dedicated to serving veterans and should not be utilized for other purposes. The DAV is opposed to WIA Plus because it would provide funding for DVOP/LVERs through a "consolidated grant." Once the funding is integrated into a consolidated grant, VETS will lose all oversight as to how the money is actually spent. WIA Plus would give VETS "sign-off" authority on state plans, but thereafter, the Employment and Training Administration would control the grant and the oversight that comes with it. VETS must have oversight authority to ensure that states do not disregard their own plans and use DVOP/LVERs improperly. The DAV strongly opposes WIA Plus.

National Veterans' Training Institute

The DAV encourages the Subcommittee to recommend an adequate level of funding for NVTI to ensure quality training for veterans' employment specialists.

Transition Assistance Program/Disabled Transition Assistance Program

The DAV recommends that funding be provided to VETS to ensure that servicemembers transitioning from overseas military facilities have the full benefit of this important program.

Homeless Veterans' Reintegration Program

The DAV recommends that HVRP be funded at a level of \$50 million annually.

**STATEMENT OF
BRIAN E. LAWRENCE
ASSISTANT NATIONAL LEGISLATIVE DIRECTOR
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES
MAY 12, 2005**

Mr. Chairman and Members of the Subcommittee:

On behalf of the 1.2 million members of the Disabled American Veterans (DAV), I appreciate the opportunity to comment on the needs and performance of the Department of Labor (DOL) Veterans Employment and Training Service (VETS), and the state grant program that funds Disabled Veteran Outreach Program (DVOP) specialists, and Local Veterans Employment Representatives (LVERs).

Among the basic tenets of the DAV is the principle that our nation's first obligation to veterans is the rehabilitation of men and women injured as a result of military service. Certainly, quality health care and adequate compensation occupy the highest tiers of the needs hierarchy, but for most individuals, full rehabilitation cannot be attained without opportunity for gainful employment. Disabled veterans face significant challenges obtaining suitable employment upon separation from the military. VETS was established to help overcome such challenges by providing employment services and opportunities, and protecting veterans' employment rights. VETS accomplishes its mission by means of the programs discussed below.

DVOP/LVER

DVOP/LVERs are valuable resources to help disabled veterans make the difficult and uncertain transition from military to civilian life. They help provide jobs and job training opportunities for disabled and other veterans by serving as intermediaries between employers and veterans. They maintain contacts with employers and provide outreach to veterans. They also develop linkages with other agencies to promote maximum employment opportunities for veterans.

The DAV was among the strongest advocates for the establishment of this program. Our continued support is illustrated by resolutions adopted by our membership each year during the DAV National Convention calling for adequate funding for the DVOP/LVER program.

Despite the overall success of the program, the DAV is concerned that certain state employment centers have assigned duties to DVOP/LVERs that are inconsistent with the VETS mission. DVOP/LVERs should be exclusively dedicated to serving veterans and should not be farmed out to help other agencies at one-stop employment centers. Disabled veterans deserve to have employment representatives who are trained specifically to meet their unique requirements.

The DAV recommends that VETS be given stronger oversight ability to ensure duties assigned to DVOP/LVERs are consistent with the goal of providing employment opportunities to veterans.

As such, the DAV is opposed to the Administration's WIA Plus legislation. WIA Plus would provide funding for DVOP/LVERs through a "consolidated grant." Once the funding is integrated into a consolidated grant, VETS would lose all oversight as to how the money is actually spent. WIA Plus would give VETS "sign off" authority on state plans, but thereafter the Employment and Training Administration (ETA) would control the grant and the oversight that comes with it. The DAV has no confidence that ETA, which has a dismal record of serving the needs of job seeking veterans, would ensure that responsibilities assigned to DVOP/LVERs are consistent with their intended purpose. VETS must have oversight authority to ensure that states do not disregard their own plans and use DVOP/LVERs improperly.

The DAV believes that WIA Plus would effectively abolish the DVOP/LVER program in the short term, and eventually become the demise of VETS altogether. Once the DVOP/LVER grant is turned over to ETA, there will be very few functions left for VETS.

The DAV strongly opposes WIA Plus.

National Veterans' Training Institute

The National Veterans' Training Institute (NVTI) was established to develop and enhance the professional skills of veterans' employment and training service providers throughout the United States. NVTI provides consistency of training to ensure veterans receive a uniform, high quality level of service throughout the country.

The Independent Budget (IB) for fiscal year (FY) 2006, co-authored by DAV, the Veterans of Foreign Wars of the United States, Paralyzed Veterans of America, and AMVETS (American Veterans), expressed concern that several years of level funding, along with reduced appropriations for FY 2005 compromises the vitality of NVTI and its ability to provide quality training. In accordance with the IB recommendation, the DAV encourages the Subcommittee to recommend an adequate level of funding for NVTI to ensure quality training for veterans' employment specialists.

Transition Assistance Program/Disabled Transition Assistance Program

The Transition Assistance Program (TAP) is a coordinated effort between DOL, the Department of Veterans Affairs (VA), and the Department of Defense (DoD), to assist military men and women during their transition to civilian life. A second component of the program, the Disabled Transition Assistance Program (DTAP), helps servicemembers separated for medical reasons.

TAP/DTAP classes provide information regarding VA benefits, employment and job training assistance, such as resume writing and interview skills, and information about other available resources.

The DAV is pleased with the overall effectiveness of TAP/DTAP. Since it began, hundreds of thousands of veterans have benefited from TAP/DTAP counseling, assistance, and educational and employment opportunities. TAP and DTAP programs provide an obvious benefit to veterans and their families, but they also benefit our entire national economy. With shorter time spent in the transition process, veterans quickly become contributors to the gross national product, and drain fewer resources through utilization of unemployment benefits.

The DAV was encouraged when Public Law 108-103, the Veterans Benefits Act of 2003, mandated that TAP/DTAP programs be established at overseas military installations. However, the Act neglected to provide additional resources that would allow VETS to fully and expeditiously make the implementation. The DAV recommends that such funding be provided to VETS to ensure that servicemembers transitioning from overseas military facilities have the full benefit of this important program.

Uniformed Services Employment and Reemployment Rights Act

The Uniformed Services Employment and Reemployment Rights Act (USERRA) gives members of the National Guard and Reserve who are called to active duty the right to return to their civilian employment with all the benefits they would have accrued if not for their military service. USERRA also prohibits employers from discriminating against members of the armed forces. Both private and public employers must adhere to USERRA requirements. VETS is responsible for investigating complaints from individuals who believe their rights have been violated. Usually, VETS attempts to negotiate voluntary settlements of USERRA issues, but may recommend legal action in certain cases.

The Veterans Benefits Improvement Act of 2004 mandated that employers provide notice of USERRA rights, benefits, and obligations, with a notice in a prominent place frequented by employees. The DAV is pleased that VETS, in a prompt fashion, has made such a notice available in poster format for employers to download from the DOL web site.

Homeless Veterans' Reintegration Program

The Homeless Veterans' Reintegration Program (HVRP) is an employment services program established to help homeless veterans reintegrate into the labor force and attain financial independence. HVRP assists homeless veterans via grants to state and local Workforce Investment Boards, commercial agencies, and non-profit organizations, including faith-based and community-based organizations. Qualified agencies directly assist homeless veterans with job placement, training, counseling, and resume preparation.

The DAV is very supportive of HVRP and other homeless veterans' initiatives. It is an unfortunate and sad fact that many veterans, for various reasons, have been unable to make their

way in the society they swore to defend. Such veterans exist without decent shelter, adequate nutrition, or medical care.

Services provided by HVRP can mean the difference between a veteran living on the streets or living in transitional housing until they are capable of providing for themselves. As a member of the National Coalition for Homeless Veterans (NCHV), the DAV supports the testimony and recommendations submitted by the Coalition on April 15, 2005, to the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies. Therein, the Coalition urged Congress to appropriate at least \$50 million for HVRP in FY 2006. This amount would enable HVRP grantees to reach approximately 24,000 homeless veterans.

In addition to legislative advocacy on behalf of homeless veterans, it is important to note that the DAV takes an active role in seeking to prevent and end homelessness among our nation's veterans. The DAV Homeless Veterans Initiative, which is supported by our Charitable Service Trust and Colorado Trust, promotes the development of supportive housing and services to help homeless veterans become productive, self-sufficient members of society. Since 1989, DAV allocations for homeless projects have exceeded \$2 million.

Closing

The DAV commends the hard work and dedication of the VETS staff here in Washington, and DVOP/LVERs throughout the nation. Their efforts have made a profound impact to better the lives of thousands of disabled veterans. The DAV views the spending of resources on the programs discussed today as an investment in our nation's future economic vitality.

Mr. Chairman, thank you for the opportunity to present our views on these programs. The DAV applauds the Subcommittee's efforts to provide better job training and employment services for veterans. We appreciate your concern and support and look forward to working with you on future issues of importance to disabled veterans.



DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Disabled American Veterans (DAV) does not currently receive any money from any federal grant or contract.

During fiscal year (FY) 1995, DAV received \$55,252.56 from Court of Veterans Appeals appropriated funds provided to the Legal Service Corporation for services provided by DAV to the Veterans Consortium Pro Bono Program. In FY 1996, DAV received \$8,448.12 for services provided to the Consortium. Since June 1996, DAV has provided its services to the Consortium at no cost to the Consortium.



STATEMENT OF
PETER S. GAYTAN, DIRECTOR
VETERANS AFFAIRS AND REHABILITATION DIVISION
THE AMERICAN LEGION

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE U.S. DEPARTMENT OF LABOR, VETERANS' EMPLOYMENT
AND TRAINING SERVICE

MAY 12, 2005

**SUMMARY OF STATEMENT
OF
PETER S. GAYTAN, DIRECTOR
VETERANS AFFAIRS AND REHABILITATION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES**

MAY 12, 2005

The American Legion remains steadfastly supportive of VETS within DOL as administered by the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET) and the critical role each program continues to have in the lives of America's veterans and their families. The American Legion recommends \$339 million for the Veterans' Employment and Training Service in fiscal year 2006. This would provide funding for the State Grants for LVERs and DVOPs, the National Veterans Training Institute (NVTI), the Homeless Veterans Reintegration Program (HVRP), and the Veterans Workforce Investment Program (VWIP).

If there is an attempt to take the DVOP/LVER grants and fully integrate them into WIA/ETA, services to veterans would suffer because there will no longer be any positions dedicated to providing employment services specifically to veterans. The successful program of veterans helping veterans would disappear. Blended funding equals no accountability for services to veterans. To allow the individual state governor to decide where the National Program for Veterans Employment and Training will reside within the respective state means it is no longer a national program but a state program. The American Legion's official position is that this should be a National Program with Federal oversight and accountability.

STATEMENT OF
PETER S. GAYTAN, DIRECTOR
VETERANS AFFAIRS AND REHABILITATION DIVISION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
THE U.S. DEPARTMENT OF LABOR, VETERANS' EMPLOYMENT AND
TRAINING SERVICE

MAY 12, 2005

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates this opportunity to share its views on the performance of Department of Labor's (DOL) Veterans' Employment and Training Service (VETS), its resource needs, and review the state grant program which funds Disabled Veteran Outreach Program Specialists (DVOP) and Local Veterans Employment Representatives (LVER).

The mission of VETS is to promote the physical, emotional and economic security of America's veterans. The vision of the VETS program is to create a seamless transition back to civilian life for veterans. The American Legion views the VETS program as one of the Federal government's best-kept secrets. It is composed of many dedicated professional veterans who struggle to maintain a quality veteran oriented program. However, the VETS program is presently lacking in adequate funding, resulting in a reduction in staff and services.

Every year 250,000 service members are discharged from the Armed Services. These former service personnel are actively seeking either employment or the continuation of formal or vocational education. The VETS program offers:

- Creative outreach designed to improve employment and training opportunities for veterans.
- Information in identifying military occupations requiring licenses, certificates or other credentials at the local, state, or national levels, and seeks to
- Eliminate barriers faced by former service personnel, transitioning from military service to the civilian labor market.

President Bush's FY 2006 budget request for the VETS is \$224 million. This marks a modest \$3 million increase from the final funding allocated in the FY 2005 Omnibus Appropriations bill.

The American Legion remains steadfastly supportive of VETS within DOL as administered by the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET) and the

critical role each program continues to have in the lives of America's veterans and their families. The American Legion recommends \$339 million for the Veterans' Employment and Training Service in fiscal year 2006. This would provide funding for the State Grants for LVERs and DVOPs, the National Veterans Training Institute (NVTI), the Homeless Veterans Reintegration Program (HVRP), and the Veterans Workforce Investment Program (VWIP).

With the enactment of Public Law 107-288, the "Jobs for Veterans Act," The American Legion remains skeptical as to whether VETS will improve employment and training services to meet the needs of the local veterans' community. Especially since VETS has not reported to Congress progress made by the implementation of Public Law 107-288. The American Legion has some serious concerns with the implementation of the new approach to local staffing levels and job performance standards.

The American Legion is concerned that the rate of job placement of veterans, training programs and other vital services has decreased. Under the previous performance data reporting system veterans seeking employment and those entering employment could only be counted after a mediated service was provided. Under the current system individuals only have to register and enter the employment system to be counted as an assisted veteran, thereby giving the false impression that the One Stop Career Centers are doing a better job of finding employment and training opportunities for veterans.

A General Accounting Office report (GAO) of October 30, 2001, noted, "VETS need the legislative authority to grant each state more flexibility to design how this staff will fit into the one-stop center system." Some DVOPs and LVERs are reporting that they spend 90% of their time assisting non-veterans while only spending 10% of their time assisting veterans seeking employment. In some states several part-time LVERs and/or DVOPs are assigned to the same office in a metro area. Also, converting current full time LVERs and DVOPs to part time employees drastically limits the effectiveness of the program. Still others are so over tasked with clerical duties and office administration that they have little time to provide much-needed outreach to job-seeking veterans. Stronger oversight needs to be provided to ensure that DVOPs and LVERs are given the resources needed to provide the services for which they are responsible.

The American Legion is concerned with not only how employment services are delivered by the One Stops, but also with veterans receiving priority of services as outlined by the 2002 Jobs for Veterans Act. The American Legion is pleased to hear from Department of Labor (DOL) officials that veterans are receiving priority of service. However, VETS has not published any data for determining how effective its priority veteran services are, nor have they reported to Congress on any progress made in regards to the implementation of key aspects of the 2002 Jobs for Veterans Act. The American Legion is concerned that the current reporting time frame reflects a six-month delay. The American Legion strongly recommends a revision of existing VETS reporting requirements for measuring performance standards and for determining compliance with requirements for providing employment services to veterans. The rolling quarter reporting system should be administered in a timely manner to better project the employment services being sought by veterans and to more accurately reflect the efforts of DVOPs and LVERs.

The Front Line Warriors

The LVERs and DVOPs are the heart and soul of VETS. The unique roles of these two programs are outlined in Title 38, Chapter 41, United States Code. However, annual underfunding and understaffing have limited the success of these programs.

The role of VETS is to augment local employment service offices and handle the hard-to-place veterans, not just any veteran that walks in the door. Clearly, an LVER is required to effectively perform many different roles. A quick review of the LVER's role:

- Ensure veterans are receiving quality services from local employment services employees;
- Maintain regular contact with community leaders, employers, labor unions, training programs, and veterans' service organizations;
- Provide directly or facilitate labor exchange services to eligible veterans;
- Job development with employers and labor unions – to include on-the-job training and apprenticeship programs;
- Promote and monitor the participation of veterans in federally funded employment and training programs;
- Monitor the listing of jobs and subsequent referrals to Federal contractors;
- Work closely with VA's Vocational Rehabilitation Program;
- Refer veterans to training, supportive services, and educational opportunities;
- Assist in securing and maintaining current information on employment and training opportunities;
- Assist in identifying and acquiring prosthetic and sensory aids and devices needed to enhance employability of disabled veterans; and
- Facilitate guidance and counseling service to certain veterans.

The LVER has no counterpart in a local employment service office. The only supervisory control the LVER has is over any assigned DVOP. As taxed as the LVER may be, the DVOP's job is just as demanding. DVOP's can be relied on to:

- Develop job leads and job training opportunities through contacts with employers;
- Promote and develop apprenticeship and on-the-job training opportunities with employers;
- Carry out outreach activities to locate veterans in need of job assistance;
- Provide assistance to employers in securing job training opportunities for eligible veterans;
- Assist local employment services office employees with their responsibilities for serving veterans;
- Promote and assist in the development of entry-level and career job opportunities;
- Develop outreach programs with VA Vocational Rehabilitation (VOC Rehab) Program participants;

- Provide case management.

Like the LVER, DVOPs have no counterpart in the local employment service office. The American Legion believes these two federal programs were designed to support local employment service office personnel, not supplant nor integrate. VETS must retain complete autonomy in order to be successful. Through the creation of these positions, Congress sought to assure:

- All veterans received priority of service;
- Certain veterans received extensive case management;
- Employers hire veterans;
- Outreach activities recruited and assisted chronically unemployed or underemployed veterans;
- Close contact was established and sustained with the veterans' community;
- Effective marketing of federal and state vocational training opportunities;
- Monitoring of veterans' hiring practices by federal contractors; and
- The presence of veterans' employment advocates throughout the local community.

The American Legion strongly believes funding levels for DVOP and LVERS should match Federal staffing level requirements and that they be allowed to provide service to veterans only. Adequate funding would allow the programs to increase staffing to offer specialized comprehensive case management job assistance to disabled and other eligible veterans.

VETS was created to work with the local employment service office, not to be incorporated into those offices. Prior to the creation of VETS, the local employment service offices were failing to meet the employment and training needs of veterans, especially disabled and minority veterans. Many veterans were faced with significant barriers to employment and needed more focused case management and personal assistance because there was no appropriated funding for veterans. In the beginning, VETS had the necessary funding and staff to deal effectively with the employment problems throughout the veteran population.

With the dramatic increase in the number of veterans from the wars in Iraq and Afghanistan being discharged and the increasing importance of the One Stop Centers in assisting all transitioning veterans, the American Legion strongly recommends that VETS continue frequent monitoring visits to the centers and provide strict oversight of these programs. DOL must ensure that veterans receive priority in all DOL programs and services created specifically for their unique needs.

38 USC, 4103A required that all DVOP specialists shall be qualified veterans and that preference be given to qualified disabled veterans in selecting and filling DVOP specialist positions. This provision was changed by P.L. 107-288, which allows the appointment of non-veterans to these positions for up to six months with out any justification. For over 20 years, these positions were filled with veterans and proved to be a winning combination. The American Legion opposed this change and urges that this be corrected. The American Legion believes that military experience is essential to understanding the unique needs of the veteran

and that all LVERs, as well as all DVOPs, should be veterans. In addition, The American Legion is in strong opposition to part time DVOP and LVERs because that may lead to limited services to veterans. Ensuring that the half time DVOP or LVER serves veterans adequately is difficult and overly dependent on management within the career centers. Part time positions lead to less than adequate services, create managerial challenges and should only be allowed with the concurrence of the DVET in the state.

Additionally, The American Legion recommends adequate funding for the National Veterans Training Institute (NVTI) budget. The NVTI provides standardized training for all veterans employment advocates in an array of employment and training functions. This excellent program helps to prepare employment service personnel to professionally address the vocational needs of veterans, especially those with barriers to employment.

Over the past six years, VETS has endeavored to reinvent itself within the confines of continued funding constraints, while faced with major changes made under the Workforce Investment Act. VETS makes up about 15 percent of the system operated in the states by the Employment Training Administration.

Approximately 56.2 percent of all unemployed veterans are over the age of 45; therefore, many of these veterans are victims of corporate restructuring, technology changes, or age discrimination. These veterans need training to remain in their previous professions or to begin new careers. Section 168 of the Workforce Investment Act (formerly JTPA IV-C) is that portion of the statute, which provides for this type of training for veterans.

For the past three years, this account received \$7.5 million in annual funding, which has allowed the program to continue to operate in only 11 states. This is absolutely unacceptable. There are thousands of veterans available for work in this new economy, but they may lack marketable technological skills. The problem is clearly a lack of funding. The only participants in the specific program are military veterans. The baseline needs to be at least increased to allow VETS to begin training in all fifty states. Therefore, The American Legion would recommend \$17 million for Veteran Workforce Improvement Program in FY 2006.

Although P.L. 107-288 requires that veterans receive priority in all DOL programs, the American Legion urges the reinstatement of the Service Members Occupational Conversion and Training Act (SMOCTA). SMOCTA was developed as a transitional tool designed to provide job training and employment to eligible veterans discharged after August 1, 1990 and provides an incentive for employers to hire veterans. Veterans eligible for assistance under SMOCTA were those with a primary or secondary military occupational specialty that DoD has determined is not readily transferable to the civilian workforce; or those veterans with a service connected disability rating of 30 percent or greater.

Eligible veterans received valuable job training and employment services through civilian employers that built upon the knowledge and job skills the veterans acquired while serving in the military. This program not only improved employment opportunities for transitioning service members, but also enabled the federal dollars invested in education and training for

active duty service members to be reinvested in the national job market by facilitating the transfer of skills from military service to the civilian workforce.

The American Legion continues to encourage Congress to reauthorize and adequately fund SMOCTA. Many LVERs and DVOP publicly praised the effectiveness of SMOCTA in successfully returning veterans into the civilian workforce. The American Legion recommends \$45 million for SMOCTA funding in FY 2006. Should SMOCTA not be reauthorized, these training dollars should be added to Veteran Workforce Improvement Program (VWIP) job training opportunities.

The American Legion



For God and Country

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April 7, 2005

Honorable John Boozman, Chairman
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
335 Cannon House Office Building
Washington, DC 20515

Dear Chairman Boozman:

The American Legion has not received any federal grants or contracts, during this year or in the last two years, from any agency or program relevant to the subject of the May 12th hearing, concerning The U.S. Department of Labor, Veterans' Employment and Training Service.

Sincerely,

Peter S. Gaytan, Director
Veterans Affairs and Rehabilitation Commission

BIOGRAPHY
PETER S. GAYTAN
DIRECTOR
VETERANS AFFAIRS AND REHABILITATION DIVISION

Mr. Peter S. Gaytan began serving as Director of the Veterans' Affairs and Rehabilitation Division in September 2004. Prior to serving as Director, he served as Principal Deputy Director of the Veterans Affairs and Rehabilitation Division and Deputy Director of the Legislative Division.

He attended Wesley College in Dover, Delaware where he earned a B.A. in Political Science. He is also a graduate of the Defense Information School, Fort Meade Maryland, and earned an Associate of Science Degree in Public Affairs from the Community College of the Air Force.

In 1991, he entered the United States Air Force. After completing initial training at Lackland Air Force Base, Texas, and Keesler AFB, Mississippi, he served as Military Protocol Liaison with the 436th Airlift Wing at Dover AFB, Delaware. While serving with the 436th Airlift Wing he worked with military, diplomatic, and congressional leaders. He coordinated all protocol requirements for NATO visits, repatriation ceremonies for the U.S. Army Rangers killed in Somalia and the memorial ceremony for Commerce Secretary Ron Brown and the passengers of the T-43A that crashed in Bosnia. While on active duty, he also served as Honor Guard Training Flight NCOIC where he provided final honors for more than 200 military funerals. He also served six years with the 512th Airlift Wing, U.S. Air Force Reserve as a Public Affairs Specialist.

During his military service, Gaytan received the Air Force Commendation Medal, Air Force Achievement Medal, Good Conduct Medal, and the Air Force Outstanding Unit Ribbon.

Originally from Norfolk, Virginia he and his wife, Kimberly currently reside in Bristow, Virginia.



Vietnam Veterans of America

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A Not-For-Profit Veterans Service Organization Chartered by the United States Congress

Executive Summary of Testimony of Rick Weidman Vietnam Veterans of America – May 12, 2005

The Employment Service was created in 1933 as part of the Social Security Act along with the legislation that established unemployment insurance. Employers made the argument to the Congress that if business was going to pay taxes for checks to workers, that there be a strong effort to get them back to work. From the outset, veterans were legally accorded “priority of service.”

In 1944, as part of the set of laws known as the GI Bill, “priority of service” was reiterated, and the Local Veterans Employment Representative (LVER) program grants to the states created, in order to help ensure that priority of service actually happened. Similarly, the Disabled Veteran Outreach Program (DVOP) was created in 1977, and enacted into law in 1979 in response to the state unemployment services testifying to Senator Cranston’s Committee that they were not placing many Vietnam or disabled veterans because they “could not find them.”

Enhancements and additional provisions were added to Title 41 almost every year during the 1980s and 1990s to try and get the State employment services to consistently, in each state, accord proper treatment and services to veterans, particularly disabled veterans.

By 1998 it was clear that “prescriptive” and “proscriptive” solutions would simply not work. This Committee held an extraordinary series of roundtables and semi-formal sessions with all stakeholders to try and achieve a results based model that would focus on outcomes, and not on activities that may or may not help a veteran get or keep a job. That legislation was ultimately stymied in September of 2000 by the (in the view of VVA) inappropriate lobbying activities of the then Assistant Secretary of Labor for Veterans Employment and Training.

The system is every bit as “broke” today as it was then, with even more financial and operational problems. It is still not performance and results oriented in any meaningful way. The current measure of “placements” is intellectually dishonest, and a preposterous example of the “post hoc, ergo propter hoc” logical fallacy.

What is needed today is a system that focuses on placement of the highest priority veterans, who are special disabled veterans (especially catastrophically disabled veterans), recently separated veterans and recently demobilized members of the National Guard and Reserve, and on veterans who are homeless or “at risk.”

We must get away from the notion that this is a “cheap” process, and focus on quality placements for those most in need. The veterans staff need to be unleashed from the yoke of the local office managers who in some cases hold them back, and the entire system be placed on a system of money rewards following performance. The state work force development agencies at the

state and local level should have first bid on the funds available, but if the performance is not there then state directors for USDoL, VETS must be free to contract with other public or private entities who will get the job done.

Further, there must be all out resistance and rejection of the ill-conceived and cynical “WIA-Plus” effort to use veteran program dollars for other purposes. If the states were going to pay attention to the special needs of veterans without monitoring and veteran specific grants, they would have already done it. Additionally we need additional employer incentives similar to the veterans job training act of the early 1980s that worked so well, as well as further latitude in the Montgomery GI Bill that will allow more focus on vocational and apprentice training.

There simply must be a national strategy to deal with the returning service members from the Global War on Terrorism. More than one million service members have already rotated through Iraq alone. If the Administration will not move to fashion such a results oriented plan, then we call on you, Mr. Chairman, and Chairman Buyer to reach out and call a convocation of public and private entities to put together a real action plan to make a difference, as was done after World War II. I have here two books that describe what was done at the local level in the majority of American cities that fashioned such results focused efforts after that war, and made a positive difference in the lives of the majority of veterans returning home.

We must think anew, in order not to fail the brave young men and women defending us in military service today.

GAO

Testimony Before the Subcommittee on
Economic Opportunity, Committee on
Veterans' Affairs, House of
Representatives

For Release on Delivery
Expected at 2:00 p.m. EDT
Thursday, May 12, 2005

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Preliminary Observations on Changes to Veterans' Employment Programs

Statement of Sigurd R. Nilsen, Director,
Education, Workforce, and Income Security Issues



May 12 2005

GAO
Accountability Integrity Reliability
Highlights

Highlights of GAO-05-662T, a testimony before the Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

The Department of Labor's Veterans' Employment and Training Service (VETS) administers two programs designed to assist the roughly 700,000 veterans who are unemployed in any given month. These two programs, the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representative (LVER) program, fund employment, training, and job placement services to veterans. In 2002, Congress passed the Jobs for Veterans Act (JVA), which redefined the roles of DVOP and LVER staff and required that VETS establish a new performance accountability system.

This testimony is based on GAO's ongoing work in this area and focuses on three aspects: (1) the separation of DVOP's and LVER's roles and responsibilities; (2) VETS' performance accountability system for DVOP and LVER staff; and (3) VETS' system for monitoring DVOP and LVER performance.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Preliminary Observations on Changes to Veterans' Employment Programs

What GAO Found

VETS has established separate roles for DVOP and LVER staff and has provided policy guidance and training to states explaining these changes. Under JVA, states now determine how many DVOP and LVER staff they hire, where to place them within the local workforce areas, and 23 states are planning to use some part-time DVOP staff. There are indications that integrating DVOP and LVER staff into the local workforce offices remains challenging. While VETS has issued guidance on an incentive program to encourage improved performance, state implementation of the program has varied, and 11 states do not plan to participate.

VETS has implemented employment measures for DVOP and LVER staff, but a minimum standard that all states must meet for veterans entering employment will not be available before 2007. VETS reported meeting Labor's goal of achieving a 58-percent employment rate for all veteran job seekers during program year 2003, but fell somewhat short of reaching a 60-percent employment goal for disabled veterans. Assessing how well DVOP and LVER programs are serving veterans may continue to be difficult due to ongoing concerns about data reliability.

VETS implemented a monitoring system in program year 2004 that relies primarily on state self-assessments of performance in conjunction with on-site reviews. It is unclear, however, how VETS staff at the state, regional, and national levels will use this information consistently to guide or improve the DVOP and LVER programs. VETS is working with other Labor agencies to coordinate monitoring and enforcement efforts.

Summary of Performance Outcomes for the DVOP and LVER Programs, Program Year 2003

Outcome measure	All veterans and eligible persons		Disabled veterans	
	Actual	Goal	Actual	Goal
Entered employment rate	58 percent	58 percent	53 percent	60 percent
Rate of retention in employment at 6 months	79 percent	72 percent	77 percent	65 percent

Source: Fiscal year 2004 Performance Budget for VETS and VETS 200 report.

www.gao.gov/cgi-bin/getrp?GAO-05-662T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sigurd Nilsen at (202) 512-7215 or nilsen@gao.gov.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to talk about our preliminary observations on the status of implementation of some key provisions of the Jobs for Veterans Act (JVA).¹ This legislation was passed in 2002 to improve various aspects of employment, training, and placement services provided to veterans. The need for such services is growing, given that roughly 700,000 veterans are unemployed in any given month and the number of service members leaving active duty—estimated by the Department of Labor (Labor) at 200,000 yearly—is anticipated to rise with more troops returning to civilian life. Viewing employment services for veterans as a national responsibility, Congress established the Veterans' Employment and Training Service (VETS) within Labor to carry out national policy that veterans receive priority in employment and training opportunities.

Among the programs that VETS administers as part of its responsibilities to help veterans find employment are the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representative (LVER) program. Nationwide, there are more than 2,000 DVOP and LVER staff. The DVOP staff are responsible for providing outreach to veterans needing VETS employment services and in offering them a variety of intensive services, such as career guidance and provision of job development contacts. The DVOP staff are to give priority of service to veterans who are disabled. The LVER staff are focused on establishing relationships with area employers and on facilitating employment, training, and placement services for veterans. The DVOP and LVER staff are also mandatory partners in the one-stop center system created in 1998 by the Workforce Investment Act (WIA) where services provided by numerous employment and training programs are made available through a single network.

My testimony today addresses the current implementation status of three aspects of the DVOP and LVER programs that have changed as a result of JVA: (1) The separation of DVOP's and LVER's roles and responsibilities; (2) VETS performance accountability system for DVOP and LVER staff; and (3) VETS system for monitoring DVOP and LVER performance. My testimony is based on our past reports and ongoing work for this subcommittee and other congressional committees. We will report on our ongoing work at the end of the year, as mandated.

¹Pub. L. No. 107-288 (2002).

We recently held discussions with national and regional VETS officials and visited two judgmentally selected states, Washington and Colorado. In Colorado, we interviewed state VETS officials, and visited the National Veterans' Training Institute (NVTI) where we interviewed NVTI officials as well as DVOP and LVER staff from 24 states who were attending training classes. We also met with officials from various veterans' service organizations and the National Association of State Workforce Agencies. We started this work in January 2005, and it is ongoing. Our work is being conducted in accordance with generally accepted government auditing standards.

In summary, VETS has established newly defined roles for DVOP and LVER staff and has provided this information by issuing policy guidance letters and conducting ongoing training at NVTI. States have been using the flexibility that these programs now provide, such as being able to determine how many DVOP and LVER staff are sufficient to meet their needs, where to place them within the local workforce area, and how to more effectively use them to serve local veteran job seekers. Almost half of the states plan to use JVA's authority to assign DVOP staff on a part-time basis. However, integrating DVOP and LVER staff into one-stop centers remains a long-standing challenge. While VETS has issued guidance on the new incentive program to recognize exemplary service delivery by DVOPs and LVER staff, 11 states do not plan to participate due to reasons such as state laws or other policies that prevent individuals from receiving awards.

VETS has implemented employment measures for DVOP and LVER staff. However, VETS estimated that it will be at least until 2007 before it has the trend data needed to establish the minimum standard that all states must meet for the rate at which veterans enter employment. Using goals negotiated with the states in the interim, VETS reported that DVOP and LVER programs, as a whole, met Labor's goal of achieving a 58-percent employment rate for all veteran job seekers during program year 2003, although the programs fell somewhat short in reaching a 60-percent employment goal for disabled veterans. However, assessing how well DVOP and LVER programs are serving veterans may continue to be difficult due to VETS' ongoing concerns about the reliability of service-related data.

VETS has implemented changes to its system for monitoring state compliance with the DVOP and LVER programs, and work continues to determine how best to use the monitoring information to improve program performance. VETS staff completed their first round of reviewing state plans and self-assessments of performance in program year 2004. In

addition, VETS staff performed their first round of on-site reviews. It is unclear, however, how VETS staff at the state, regional, and national levels will use this information to consistently guide or improve the DVOP and LVER programs. VETS and the Employment and Training Administration (ETA) are working together to coordinate monitoring and enforcement efforts.

Background

VETS administers national programs to (1) ensure that veterans receive priority in employment and training opportunities from the employment service; (2) assist veterans, reservists, and National Guard members in securing employment; and (3) protect veterans' employment rights and benefits. VETS carries out its responsibilities through a nationwide network that includes representation in each of Labor's 10 regions and staff in each state. The Office of the Assistant Secretary for VETS administers the agency's activities through regional administrators and a VETS director in each state. The state VETS directors are the link between VETS and the states' employment service system, to whom the DVOP and LVER staff—as state employees—directly report, and which is overseen by Labor's ETA. In fiscal year 2005, VETS requested \$220.6 million for all its programs, including \$162.4 million for the DVOP and LVER programs. States plan to use this funding to support more than 2,100 DVOP and LVER positions.

In September 2001, we identified some key areas in which VETS could better serve its clients by providing more flexibility and accountability in its programs.² With its passage in November 2002, JVA amended the legislation that governs the DVOP and LVER programs by addressing many of the concerns we raised in our prior work. For example, JVA clarified the roles of DVOP and LVER staff, and gave states greater flexibility in determining how the staff are used. Under VETS guidance, the DVOP staff's duties now focus on providing intensive services—with priority given to disabled veterans—including assessing the veterans' special needs and skills, developing a plan of action, and coordinating any needed supportive services, such as training and job referrals. The DVOP staff also provide outreach activities to locate candidates who could benefit from intensive services, such as homeless veterans. As stated in VETS guidance, the LVER staff's duties now include developing regular contact with employers to promote employment and training for veterans, developing relationships with community leaders to further promote veterans'

²GAO, *Veterans' Employment and Training Service: Flexibility and Accountability Needed to Improve Service to Veterans*, GAO-01-928 (Washington, D.C.: Sept. 12, 2001).

employment, and promoting and monitoring the participation of veterans in federally funded programs.

The JVA legislation required states to develop plans that include details of the specific duties required of the DVOP and LVER positions and the strategy for their integration into the one-stop system. The legislation also required the establishment of a comprehensive performance accountability system to measure performance of the DVOP and LVER staff, using performance measures consistent with those of WIA.³ In addition, JVA established an incentive program to recognize eligible employees for excellence in providing veterans services and to encourage the improvement of services, with 1 percent of each state's annual grant allocation to be designated for incentive funding. In addition, JVA required VETS to establish a minimum standard for the rate at which veterans enter employment, a standard which all states are required to meet. The JVA legislation further required annual performance reviews of veterans' services, which VETS uses to monitor the DVOP and LVER programs to ensure proper accountability.

**VETS Has
Implemented Changes
to DVOP and LVER
Roles and
Responsibilities, but
One-Stop Integration
Issues Remain**

VETS has taken action to implement the changes to the DVOP and LVER programs. VETS has issued policy guidance and conducted training on the DVOP and LVER staff's new roles and responsibilities. In addition, nearly half the states are taking advantage of JVA's flexibility to employ part-time DVOP staff. Although VETS has issued guidance on the performance incentive program to recognize exemplary staff as required by JVA, states have implemented this program differently, and 11 states do not plan to implement the incentive program because sometimes it conflicts with the state's policy if awards are given to individuals. In addition, integrating DVOP and LVER staff into one-stop centers continues to be challenging.

³The WIA performance measures include entered employment, retention at 6 months, and customer satisfaction.

VETS Has Provided Guidance and Training to Distinguish DVOP from LVER Staff Duties and Many States Plan to Use Part-Time DVOP Staff

Through its policy guidance letters, VETS has clarified the DVOP and LVER staff's new functions, along with new staffing and reporting requirements, including the use of part-time positions for DVOPs. In addition, shortly after JVA was enacted, NVTI held a series of implementation seminars covering DVOP and LVER staff's new roles and responsibilities that were attended by representatives from all states. NVTI also conducts case management training aimed at DVOP staff. At the end of its first training year in October 2004 following passage of JVA, NVTI reported training 282 DVOPs and estimated that an additional 144 would be trained each year in the future. Similarly, NVTI conducts employer outreach training focused on LVERs. Because this class is new, NVTI estimates that it will train 264 LVERs by October 2005, and projects that an additional 240 LVERs would be trained each year.

One of the key changes in the new law gives states the flexibility to establish part-time DVOP and LVER positions, though this was already permitted to some extent for LVERs. According to their fiscal year 2005 state plans, 23 states planned to use the new flexibility under JVA to employ both full- and part-time DVOPs, while 34 states planned to use the long-standing authority to employ both full- and part-time LVERs. As shown in table 1, part-time DVOP positions would comprise about 18 percent of the total DVOP staff and about 44 percent of the total LVER staff.

Table 1: Full-Time and Part-Time DVOP and LVER Positions, Fiscal Year 2005

Type of position	Total DVOP staff (percentage)	Total LVER staff (percentage)
Full-time	1,139 (82 percent)	871 (56 percent)
Half-time	241 (18 percent)	675 (44 percent)
Total	1,380 (100 percent)	1,522 (100 percent)

Source: GAO analysis of state plans.

Note: Figures include the District of Columbia and exclude Puerto Rico and the Virgin Islands.

Some states plan to use part-time DVOPs and LVERs extensively. For example, two states, Maine and Washington, planned to use part-time LVERs exclusively. In addition, South Dakota plans on having 87 percent of its DVOPs be part-time, and Vermont plans to have 91 percent of LVERs be part-time. By contrast, in New Jersey, only 5 percent of DVOPs are to be part-time and, in Indiana, 6 percent of LVERs are to be part-time.

Not All States Plan to Use Incentive Awards

VETS has implemented JVA's requirement to establish a performance incentive awards program by issuing policy guidance that lays out criteria

and monetary as well as nonmonetary awards for states to consider in developing an awards program. According to fiscal year 2005 state plans, 11 states did not plan to use the incentive program due to reasons such as conflicts with state law or other policies if the awards are given to individuals. The remaining 40 states planned to implement the incentive program in various ways. For example, in one state, two DVOPs were awarded a one-time maximum award of \$1,000. In another state, however, top performing DVOP and LVER staff were given a one-time cash award for as little as \$16. Regardless of their current approach to implementing incentives, some VETS officials said they would like to see award eligibility criteria expanded beyond individuals to include entire units.

Challenges Continue with Integrating DVOP and LVER Staff into One-Stop Centers

Labor officials acknowledge that integration of DVOP and LVER staff into the one-stop centers has been a persistent challenge. The extent that implementing changes under JVA will assist in breaking down the barriers and entrenched cultures that have precluded integration in the one-stop centers will likely take years. According to the DVOP and LVER staff we interviewed, integration still varied widely among local areas, depending on the level of support provided by the one-stop manager for the DVOP and LVER programs. For example, one DVOP staff told us that the veterans program is highly integrated with the WIA program in her local one-stop, with both sharing case management responsibilities. In addition, she participates in regular meetings with the one-stop partners and attributed this cohesion to the commitment by her one-stop manager to work cooperatively with all the partners. In contrast, a DVOP from another state told us that he was assigned to tasks that prevented him from serving as many veterans as he would have liked.

In cases where there was poor integration, several reasons were cited by DVOP and LVER staff we interviewed from various states. One reason was that other one-stop staff were not educated or trained on serving veterans. An NVTI official told us that the institute has provided training to states that have requested it, but was concerned that the states that were struggling with providing veterans' services were the very ones that did not request training. Other reasons included the perception among DVOP and LVER staff we interviewed that there is little coordination between VETS and ETA to ensure integration among all partner programs,

adopt uniform definitions of eligible veterans, and consistently give veterans priority of service regardless of program.⁴

New Performance System Implemented for DVOPs and LVERs, but Too Early to Link Changes to Veterans' Employment Outcomes

Performance Measures Implemented, but More Time Needed to Establish Minimum Standard

VETS has implemented some JVA changes to the accountability system related to the measures used for assessing DVOP and LVER performance, but it estimates that it will be at least 2007 before it can implement a minimum standard for veterans entering employment that all states will be expected to meet. Until the standard becomes available, VETS has used historically based outcomes in negotiating performance goals with states. In addition, Labor has established an entered-employment goal of 58 percent for veterans served through the DVOP and LVER programs. While VETS reported that the DVOP and LVER programs met Labor's program year 2003 goals for some measures, concerns about data reliability remain, preventing an accurate assessment of how well DVOP and LVER staff are performing.

The performance measurement system for the DVOP and LVER programs has been in transition over the last several years. Prior to JVA, performance measures placed more emphasis on process-oriented measures—measures that simply tracked services provided to veterans, not on the employment outcomes veterans achieved. In addition, states used different data sources to report employment-related outcomes, resulting in performance that was not comparable across states. According to VETS officials, VETS adopted performance measures, beginning July 1, 2003, that are consistent with those of WIA, but has not yet specified when it will implement a system for weighting the measures to provide special consideration for such groups as disabled veterans, in accordance with JVA's requirements. Another fundamental change was the use of Unemployment Insurance (UI) wage records to identify veterans who get jobs rather than the use of time-consuming follow-up procedures. The current performance standards for the DVOP and LVER programs apply to various veterans populations, including disabled veterans. Three measures are based on WIA: (1) veterans that entered employment; (2) retention in employment at 6 months; and (3) job seeker satisfaction. In addition, VETS tracks entered employment following receipt of staff-

⁴ETA has issued guidance on implementing JVA's requirement to provide priority of service to veterans eligible veterans as it relates to 20 Labor-funded programs that are affected by the requirement. See U.S. Department of Labor, *Training and Employment Guidance Letter No. 5-03*, (Washington, D.C.: 2003). ETA officials told us that they also plan to raise awareness of priority of service through such efforts as promotion campaigns at one-stop centers.

assisted services and entered employment following receipt of case management.⁵

VETS officials told us, however, that the measures will change again on July 1, 2005, when VETS will adopt the Office of Management and Budget's new common measures.⁶ VETS will retain several existing measures that track employment following services provided by DVOP and LVER staff. While the new common measures afford some advantages over existing measures, the frequent shifts in focus have made it difficult to collect comparable data that can be used to establish a pattern of performance for the DVOP and LVER programs and compare outcomes across different time periods. As such, VETS anticipates that it will take at least until 2007 to collect the necessary trend data to establish the minimum standard for the entered-employment rate that all states will be expected to meet. In the interim, states are required to meet performance goals that they negotiate annually with VETS based on historic outcome levels. For example, according to VETS, states' program year 2004 negotiated goals for entered employment ranged from 46 percent to 67 percent for veterans, and from 41 percent to 65 percent for disabled veterans.

VETS Reports Meeting Goals, but Data Reliability Concerns Remain

Nationwide, VETS reported that the DVOP and LVER programs met Labor's goals for the entered employment rate (58 percent) for all eligible veterans in program year 2003, while they fell short of their 60-percent target entered employment rate for disabled veterans (see table 2). Similarly, VETS reported that the programs exceeded goals for the rate at which veterans retained employment 6 months later.

⁵This measure applies only to the DVOP program.

⁶The Office of Management and Budget established a set of common measures to be applied to all federal employment and training programs administered by the departments of Labor, Education, Health and Human Services, Veterans Affairs, Interior, and Housing and Urban Development. This set of measures will allow Labor to sum outcomes across all its programs and provide a more uniform picture of outcomes achieved. Three common measures apply to programs serving adults: (1) entered employment; (2) employment retention; and (3) earnings increase. Although program efficiency was one of the measures in earlier ETA guidance, the policy has been revised and states will no longer be required to report on this measure. Instead, ETA will use existing program management data to report program efficiency at a national level.

Table 2: Summary of Performance Outcomes for DVOP and LVER Programs, Program Year 2003

Outcome measure	All veterans and eligible persons		Disabled veterans	
	Actual	Goal	Actual	Goal
Entered employment rate	58 percent	58 percent	53 percent	60 percent
Rate of retention in employment at 6 months	79 percent	72 percent	77 percent	65 percent

Source: Fiscal year 2004 Performance Budget for VETS and VETS 200 report.

Even after the new measures will be adopted, VETS officials remain concerned about the reliability of data used to assess performance. VETS officials attribute their concerns about service-related data reliability to DVOP and LVER staff not understanding the new definitions of the performance measures, lacking training on entering data into an automated system, inconsistent registration policies, or simply inputting erroneous data. In addition, VETS officials told us that some states have known data reliability issues with their management information systems. While Labor has established data validation procedures, the reliability of performance data is an issue that is not fully addressed by Labor's current validation procedures. For example, all states must certify that their data are correct using validation software that cross-checks the totals they report to VETS. However, validation does not extend to the case file level to ensure that DVOP and LVER staff accurately collect and report data at the point of service delivery. In comparing the reliability of data on services to those on employment outcomes, VETS officials believe that outcome data are more reliable because they are based on Unemployment Insurance (UI) wage records. However, as we have noted in past work, while UI wage records are reliable, they suffer from significant time lags, resulting in at least an approximately 1½- year wait to obtain information on outcomes.⁷

⁷GAO, *Workforce Investment Act: States and Local Areas Have Developed Strategies to Assess Performance, but Labor Could Do More to Help*, GAO-04-657 (Washington, D.C.: June 1, 2004).

Monitoring Systems Evolving to Strengthen Program Accountability

In response to JVA's requirement to monitor the DVOP and LVER programs, VETS has shifted greater responsibility for monitoring program performance to the state level, and VETS' monitoring role continues to evolve from enforcer to partner in achieving state goals. VETS staff completed their first review of annual state self-assessments in program year 2004 and have completed their first round of site visits to a random sample of local offices. However, the extent that this new approach to monitoring DVOP and LVER performance strengthens program accountability may require several years of state and VETS experience collecting, reporting, and using information to improve services to veterans.

First Round of Reviews Completed

Beginning in program year 2004, VETS began reviewing all the state plans for compliance with program requirements and, for any deficiencies noted during the review, required states to correct the relevant section of the plan. In addition, VETS requires states to submit annual self-assessments to identify best practices, ensure the approved state plan is being effectively implemented, determine the state's progress toward meeting its performance goals, and identify areas for technical assistance and training.

Besides conducting reviews of the state plans and self-assessments, VETS also conducts annual on-site monitoring reviews of 20 percent of local offices within each state, and all local offices must be visited at least once in 5 years. While we do not know how many offices have DVOP or LVER staff, there are an estimated 1,900 comprehensive one-stop centers and about 1,600 affiliate one-stop centers around the nation. The on-site reviews include interviewing personnel who are involved in providing services to veterans, observing the flow of customers in the lobby, and reviewing local guidance and plans.

VETS Still Working to Determine How Best to Use Monitoring Information

Now that VETS has completed its first year under the new performance accountability system, it is unclear how it will use its monitoring results to improve DVOP and LVER program performance. At the national level, VETS has developed a system to track corrective actions needed in states' plans, but has not yet developed a strategy to best meld performance information from its other monitoring efforts to improve program performance at the local, state, and regional levels. For example, VETS officials in two states we visited told us that they use the site visit results to identify local offices needing targeted technical assistance. However, one state VETS official told us that because local offices varied considerably in their performance, he was uncertain whether the 20 percent sample used for site visits would accurately capture areas most in need of technical assistance. While information on DVOP and LVER performance is also available through local office reporting, VETS officials

have not provided a consistent methodology to incorporate and analyze relative performance among the local offices, states, and regional offices. VETS and ETA continue to work on issues related to sharing the results of monitoring efforts, coordinating corrective actions, and taking a joint approach to enforcement.

Mr. Chairman, this concludes my prepared remarks. I will be pleased to answer any questions you or other members of the subcommittee may have. Our remaining work will examine these and other issues in greater depth to meet our mandated reporting date at the end of the year.

Contact and Acknowledgments

For further information regarding this testimony, please contact me at (202) 512-7215. Key contributors to this testimony were Lacinda Ayers, Jeremy Cox, Meeta Engle, Emily Pickrell, and Stanley Stenersen.

Related GAO Products

Workforce Investment Act: States and Local Areas Have Developed Strategies to Assess Performance, but Labor Could Do More to Help. GAO-04-657. Washington, D.C.: June 1, 2004.

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**VETS' PROGRAMS
 SUMMARY OF REQUEST**

May 12, 2005

Submitted by
 Maren Daley,

**Chair of the NASWA Veterans Affairs Committee, and
 Executive Director, Job Service North Dakota**

The National Association of State Workforce Agencies makes the following recommendations to Veterans' Employment and Training Service (VETS) in order to maintain our nation's commitment to providing workforce system services vital to accommodating the employment needs of veterans:

VETS' Program Appropriations Should be Increased

- Congress should appropriate an additional amount for the DVOP and LVER programs proportionate to the increase in the number of veterans requiring service upon return from ongoing conflicts and to adjust for inflationary pressures.

Transition the DVOP and LVER Funding Cycle from a Federal Fiscal Year to a Program Year

- Program year funding supports integration of VETS funded programs into the WIA and one-stop systems, aligning funding, planning and performance on the same cycle consistent with other one-stop partners.

Adjust Minimum Stop-Gap Measures to Stabilize Annual State Allocations

- The new state funding formula created under the Jobs for Veterans' Act causes wide fluctuations to individual state funding making it difficult to administer services in a consistent manner.

Broaden Incentive Award Eligibility to Include Workforce System Offices

- The benefits of awarding exemplary service to veterans under the Incentive Awards grants authorized by the Jobs for Veterans' Act have been limited by conflicts with state law and state directives that could be eliminated by Congressional action to expand award eligibility.

Prioritized Veterans' Service Would be Improved with Simplified Guidance from the USDOL

- The USDOL should simplify its guidance and more aggressively communicate it throughout the publicly-funded workforce investment system to ensure the Congressional mandate is fulfilled.

**NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES (NASWA)
STATEMENT ON VETERANS EMPLOYMENT AND TRAINING SERVICES**

**SUBMITTED BY MAREN DALEY, CHAIR OF THE NASWA
VETERANS AFFAIRS COMMITTEE AND
EXECUTIVE DIRECTOR, JOB SERVICE NORTH DAKOTA**

May 12, 2005

Chairman Boozman, Congressman Herseth, and distinguished Members of the Subcommittee, on behalf of the National Association of State Workforce Agencies, I thank the Subcommittee for the opportunity to share information on the contributions our members provide in strengthening the nation's economy by linking veterans with jobs. The members of our association constitute state leaders of the publicly-funded workforce investment system vital to meeting the employment needs of veterans through the Disabled Veteran Outreach Program (DVOP) and the Local Veterans Employment Representatives Program (LVER).

My name is Maren Daley. I am the Chair of the Veterans Affairs Committee for the National Association of State Workforce Agencies (NASWA) and also the Executive Director of Job Service North Dakota, which administers the DVOP and LVER programs in North Dakota.

Thank you for inviting me to testify today on the U.S. Department of Labor Veterans Employment and Training Service (VETS) and the state grant program that funds the DVOP and LVER programs.

NASWA is grateful for the opportunities it has been provided over the years to work closely with the Veterans Affairs Committee. We appreciate the many opportunities provided to NASWA during the writing of H.R. 4015 that resulted in the Jobs for Veterans Act (P. L. 107-288). The Jobs for Veterans Act provides greater flexibility for VETS, states and the DVOP and LVER staff to provide services to veterans in a more efficient manner. We appreciate the work of the House Veterans Affairs Committee to pass this important legislation. The implementation of the significant changes to program operations takes time to implement fully and requires adjustments along the way.

Our members are committed to providing the highest quality of service to our veterans, National Guard members and Reservists. We are focused on serving recently separated veterans and disabled veterans, our highest priority. During Fiscal Year 2004, our DVOPs and LVERs assisted 703,000 veterans in entering employment. With the war efforts in Iraq and Afghanistan, this is a critical time to ensure workforce services are available for those who served our country in time of war.

I would like to acknowledge the great working relationship developed between NASWA and the Veterans Employment and Training Service (VETS). VETS has included NASWA and its Veterans Affairs Committee members in most aspects of developing

policies to implement the Jobs for Veterans Act. Although, not all state concerns or recommendations were included in final policies, it is clear VETS was interested in our input and considered our recommendations. VETS leadership has attended every meeting of the NASWA Veterans Affairs Committee during the past three years. VETS leadership also made presentations at several of our Board of Directors' meetings to keep state administrators updated on federal activities to serve veterans.

NASWA has the following concerns and recommendations for the Subcommittee to consider as it works on further improvements to the workforce services provided to veterans. I will start by discussing funding issues then address specific areas of the Jobs for Veterans Act.

- **ADEQUATE FUNDING** – Successful veterans' employment and training programs require an adequate level of funding. Unfortunately, funding for the DVOP and LVER programs has been flat for many years and inflation continues to erode its purchasing power impacting veterans' services. Given the numbers of newly separated veterans transitioning from military to civilian life and the level of services which should be provided to address employment barriers, we believe Congress must consider a proportionate increase to annual appropriations.
- **TRAINING FUNDS** – DVOP and LVER funds are not authorized to be expended on training or supportive services for veterans. However, services to veterans and returning military personnel would be greatly enhanced if additional funds were available specifically for training and supportive services. The Workforce Investment Act of 1998 (WIA) Section 168 provides WIA funds dedicated to serving veterans. However, the funding level is not sufficient to fund all states, and individual grants are minimal. The President's FY 2006 Budget Request is for \$7.5 million. NASWA recommends additional funding designated to serve veterans under WIA Section 168, Veterans Workforce Investment Programs.

To address the needs of today's veterans, Congress might consider reimplementation of the "Service Members Occupational Conversion and Training" (SMOCTA) authorized in H.R. 5006, National Defense Authorization Act for Fiscal Year 1993 (P.L. 102-484), or a similar job training program. State workforce agencies considered SMOCTA to be one of the best programs to serve returning military personnel.

SMOCTA was established in response to the impact on veterans who had been affected by the downsizing of the military, especially personnel who had no readily transferable skills. The rationale to establish a program similar to SMOCTA today is the large number of military personnel returning from active duty and needing employment and training assistance, including skills development for the new skills needed in the ever-changing economy. If the military personnel are again downsized because of the "Base Realignment and Closure" (BRAC), SMOCTA would again be a viable resource to address needs of individuals downsized.

SMOCTA provided assistance in the form of reimbursements to employers to offset the cost of training recently separated service members for stable and permanent positions that involve significant training (6-18 months). Besides the reimbursements to employers, SMCOTA provided funds for assessments, development of training plans, and supportive services for the trainee. DVOP and LVER staff developed employment and training plans.

- **FUNDING CYCLE** – NASWA asks for your support to move the cycle of funding for the DVOP and LVER programs from a federal fiscal year to a program year. NASWA has submitted requests to the Secretary of Labor recommending this change be made when submitting the President's Budget. Responses from the Secretary of Labor indicate USDOL will consider our request in future budget preparations.

In 2001, the House Veterans Affairs Committee Chair and Ranking Member wrote to the Office of Management and Budget (OMB) requesting the Administration prepare its 2003 President's Budget using draft language to change the funding cycle. OMB responded saying they would bear the Committee's concerns in mind when formulating the FY 2003 Budget.

- **FUNDING FORMULA** – The Jobs for Veterans Act changed the funding formula for states. The new funding formula caused wide fluctuations in some states creating unintended inequities. Although a minimum state allocation was provided, some states believe Congress should adjust the minimum funding levels to further stabilize annual allocations thereby improving service level consistency.

In North Dakota, we have two staff funded by DVOP and six and a half staff funded under the LVER program, covering sixteen local workforce centers. Our base grant was \$465,000, which funds seven of the positions I listed. We received an additional \$130,000, which allowed us the total of eight and a half total positions. Some other examples are: Wyoming is funded for 6.5 staff for both DVOP and LVER; they cover twelve full-service offices and seven satellite offices in a 100,000 square mile area. South Dakota has ten total staff for the DVOP and LVER programs, covering 16 local workforce centers. The District of Columbia has a population of 900,000 people, including a large number of veterans; they are funded for only four staff, including the coordinator. One of their DVOPs is out-stationed to Walter Reed Army Medical Hospital to operate the REALifeLines program there.

Consideration should be given to exceptional circumstances in each state, allowing states to request these additional funds in their base grants. The exigency funding developed by

VETS helps to alleviate this concern; however, states cannot maintain continuity of staffing levels or perform up-front planning with unpredictable funding.

- **INCENTIVE AWARDS** – NASWA recommends Congress amend the Jobs for Veterans' Act to allow offices, one-stop centers or units within an office to be eligible to receive incentive awards, as well individual employees in the workforce system.

The Incentive Awards grants provided in the Jobs for Veterans Act is an excellent concept, but the current statutory requirements result in some states being unable to participate. The Jobs for Veterans Act authorizes the establishment of "...criteria for performance incentive programs to be administered by states to: (A) encourage the improvement and modernization of employment, training, and placement services provided under this chapter; and (B) recognize eligible employees for excellence in the provision of such services or for having made demonstrable improvements in the provision of such services."

VETS and NASWA sought Congressional interpretation of this section of the law to determine if awards could be provided to offices, one-stop centers, or units within an office. We were informed that incentive awards can only be provided to individuals in the workforce system. Some states are prohibited by State statute or policies from providing individuals with monetary or non-monetary awards. The result is 13 to 17 states are unable to use the incentive awards program. In those states, the funds will not be used as directed by the federal statute and Congressional intent is left unfulfilled.

- **PRIORITY OF SERVICE** – NASWA recommends the U.S. Department of Labor simplify the specific guidance for individual programs, and clarify and more aggressively present this guidance to states, program administrators, one-stop operators and staff.

The Jobs for Veterans Act requires that all qualified job training program funded by the U.S. Department of Labor provide covered persons priority over non-veterans for the receipt of employment, training, and placement service provided under that program, notwithstanding any other provisions of law.

DVOPs, LVERs and Employment Service staff understand this requirement and have been providing priority of service to veterans throughout their history. Most of the job training programs covered by this requirement are funded through the USDOL Employment and Training Administration (ETA). ETA has provided general guidance for applying priority of service and has provided specific for their programs – this guidance is posted on the ETA website. NASWA has a concern that the priority of service requirement has not been promoted adequately, and the availability and importance of the website guidance has not been well communicated to program administrators and operators.

- **CASE MANAGEMENT** – In order to serve today's veterans, it is important to address barriers to employment, assess skills and prepare veterans for today's economy. This often requires one-on-one case management; however, the low numbers of staff available through the DVOP and LVER programs makes individualized services difficult. Also, performance measures need to be adapted to allow individuals in case management to be exempt from the entered employment performance measure until case management services are completed.

- **TAP SERVICES TO NATIONAL GUARD AND RESERVISTS** – The Transitional Assistance Program (TAP) is designed to provide information and services to military personnel preparing to transition from military to civilian careers. Performance measures for the TAP program are restricted to “veterans,” meaning individuals who have already been discharged from military service. The performance measures for the TAP should include any military person who has a definite date of discharge within the near future – possibly six months.

Also, with the increased number of National Guard members and Reservists serving in the Iraqi and Afghanistan wars, it is essential that these military personnel be eligible to receive TAP services.

- **VETS OVERSIGHT OF DVOP & LVER PROGRAMS** – The Jobs for Veterans Act says, “The Secretary shall assign to each State a representative of the Veterans’ Employment and Training Service to serve as the Director for Veterans’ Employment and Training (DVET), and shall assign full-time Federal clerical or other support personnel to each such Director.”

NASWA believes Congress should revisit this requirement. States say that the DVOP and LVER programs are the most heavily monitored and regulated program they administer. There is no other federal workforce program that has federal oversight staff stationed in their state. The ETA funded programs receive federal oversight from the ETA Regional or National offices; these programs are usually funded at a much higher level than the veterans programs.

Although the DVETs have other duties, including USERRA, their duties for oversight of the state veterans programs often duplicate state efforts and require one more level program administration. In some states, this results in federal oversight staff responsible for a program that funds only six staff.

- **PRESIDENT’S NATIONAL HIRE VETERANS COMMITTEE**

The Jobs for Veterans Act established the President’s National Hire Veterans Committee (PNHVC). This Committee was established to provide information to employers with respect to the training and skills of veterans and disabled veterans, and the advantages of hiring veterans with such training and skills. The establishment of the Committee got off to a slow start, but now has an active membership of major business representatives.

NASWA supports the Committee’s efforts to develop a national campaign to advise employers on the benefits of hiring veterans. The “HireVetsFirst” campaign established by the Committee is an excellent tool to inform employers and provide a connection to state and local workforce development resources. The Committee has ensured NASWA they will refer employers to the state database websites, local one-stop workforce centers, and the DVOP and LVER staff.

The material developed by the Committee is very professional and well done. Some have voiced a concern that the efforts of the Committee duplicate what is the responsibility of state DVOPs and LVER staff. State resources are limited, or non-existent, to develop promotional material to provide to employers and veteran job seekers. It is important that the promotional material developed by the HireVetsFirst campaign continues to be designed in a manner that supports and supplements the efforts of states and especially DVOP and LVER staff.

In conclusion, NASWA commends the Subcommittee on its dedication to ensure workforce services are provided to all veterans, especially to newly-separated and disabled veterans.

We look forward to working with you in an effort to enhance veterans' training and employment services.

Thank you for the opportunity to address these important issues.



“Deja vu all over again,” Yogi Berra

**Statement of Mr. Wesley Poriotis
Chairman of The Center for Military and Private Sector Initiatives**

**House Veterans’ Affairs Subcommittee on Economic Opportunity
May 12, 2005**

Mr. Chairman, Ranking Member Herseth, Members of the Subcommittee, thank you for inviting me to testify before you today regarding the Labor Department’s Veterans’ Employment and Training Service (VETS).

When I was originally invited to testify before this panel on March 17 – St. Patrick’s Day – I was so excited I ran out, bought a green tie and tried to change my name to O’Poriotis. My 84 year old father was relieved to hear that the date was changed and not my name.

However, I am equally pleased to be here today, May 12th, which as any good New Yorker should be able to tell you is the 80th anniversary of the birth of one of our nation’s great unsung philosophers, Lawrence Peter Berra, better known as Yogi Berra.

So let me start by saying, in the words of Yogi Berra, that testifying before you today feels like “deja vu all over again.”

Mr. Chairman, this is the third time since 2002 that I have had the honor to sit at this table to testify on ways to enhance the federal government’s role in helping veterans secure quality employment opportunities.

Eleven years ago, at the request of the Joint Chiefs of Staff, I produced a report analyzing how veterans were faring in their transition from the military to civilian employment....Especially, in overcoming deselective biases in accessing and competing on a level playing field for quality opportunities in the non-defense growth sectors of the economy.

Sadly, at that time, I found that veterans’ employment and career transition services were inadequate and outdated. Based upon a scientific survey and other research, I made a dozen recommendations to the Joint Chiefs about how to improve federal veterans’ employment programs.

Furthermore, I founded The Center for Military and Private Sector Initiatives, a nonprofit 501(c)(3) organization to help pursue implementation of those recommendations and other initiatives to improve employment prospects for transitioning military personnel, veterans, and their families.

Unfortunately, what I am about to report in terms of the sorry state of federal veterans employment programs may sound to you like “déjà vu all over.”

Statement of Mr. Wesley Poriotis
House Veterans' Affairs Subcommittee on Economic Opportunity
May 12, 2005
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In the decade since I gave the Joint Chiefs my recommendations and personally met with the President to address this issue VETS has made some reforms, improved some services, and expanded its budget. But at the end of the day, it is still a fair characterization to say that the Veterans' Employment and Training Service neither 'employs,' nor 'trains,' nor adequately "services" veterans employment needs.

Mr. Chairman, the problem at its core is that VETS is a government program trying to succeed in the private sector with government solutions. Let me give you a perfect example. Last week the Chairman of the President's National Hire Veterans Committee testified about the accomplishments of his Committee. I have read his statement carefully and here's what I found:

In the two and one half years since Hire Veterans Committee was authorized, the only measurable achievement he could enumerate was the signing of 28 "Hire A Veteran Month" proclamations by state governors, with another 15 proclamations to be signed by the end of June this year. That's how government approaches a problem: create a committee, sign a proclamation.

Let me share how the private sector approaches this same problem.

After a year of planning – together with the efforts of General Tommy Franks and Roger Chapin, the founder of A Salute to America's Heroes – we brought 138 of the most severely wounded in the War on Terrorism and their families to Orlando for a three-day retreat, conference, and work session to help them on their Road to Recovery.

In addition to numerous activities and programs to heal their spirit and provide them with tangible and material assistance, The Center organized a comprehensive program to meet and provide employment navigation and counsel with each and every military service member and his or her spouse.

Our program utilizes a working group of hero/coach counselors and job developers – especially for disabled veterans – who will now go into the veteran's home; determine a career track and meet with local employers to literally get the veteran an interview. The hero/coach counselor in some cases helps in the negotiation and closing and in essence champions the so-called veteran payload to the employment target.

This combination of experienced employment navigation plus the actual relationship building and opening up of what I call the hidden job market goes through the "pain of placement" – something that VETS has never done.

And while we were meeting individually with these brave men and women, twenty VETS representatives were in another room doing what they are tasked and trained to do: hand out written information, refer veterans to websites, and check off the boxes on their to-do lists.

Mr. Chairman, I don't blame the men and women in the field working as LVERs and DVOPs. They are doing the job they were assigned; some of them are remarkable, caring, compassionate, and effective people.

Statement of Mr. Wesley Poriotis
House Veterans' Affairs Subcommittee on Economic Opportunity
May 12, 2005
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Yet, they have no hard metrics upon which their performance is judged. Think about it. If each of the 3,000 or so government employees under the broad umbrella of VETS placed one veteran per week as a mandate, 150,000 additional veterans would acquire jobs. At present, there is no performance criteria to meet and develop relationships with a minimum number of employers; meet a metric of job interviews; and fulfill a quota of jobs for veterans. And, we are not even adding aspects like "speed to market;" or numbers and quality of placements which any private sector recruiter must meet or perish.

Unemployment and the immeasurable yet omni-present underemployment has reached unacceptable proportions for many in our so-called kitchen cabinet, a national informal consortium of corporate, business and government leaders. An individual of no less stature than new VA Secretary, Jim Nicholson recently met with me and several corporate executives to lament the outrageously high unemployment for young veterans. Even though he does not have the statutory responsibility for veterans employment; nevertheless, he stated multiple times in our meeting that he would market the veteran to the private sector and meet with corporate executives to influence them to the value of hiring veterans in their workforce.

Unfortunately, this contrasts dramatically with VETS leadership who, so busy with their internal meetings with themselves, could not find the time to meet with Jack Welch's successor, Jeff Immelt, who in August of 2003 gave up two hours of his personal time to meet with me and other executives to determine the ways he and the General Electric Company could influence other American companies to the value of hiring veterans.

But the fact is that you will never solve a private sector problem with government approaches and programs.

Yogi Berra famously said, "it ain't over till its over." But, respectfully, Mr. Chairman, in the case of VETS, I believe its time is over.

One of America's most important entrepreneurs recently gave a remarkable speech on education at a summit meeting of our nation's governors. Bill Gates minced no words.

"American high schools are obsolete," he told the governors. "By obsolete, I don't just mean that our high schools are broken, flawed and underfunded.... By obsolete, I mean that our high schools – even when they are working exactly as designed – cannot teach our kids what they need to know today."

Mr. Chairman, we merely need to substitute Mr. Gates words on obsolete high schools with the obsolete Veterans Employment and Training Service.

Rather than reforming and coping with an obsolete federal agency which itself labors as a distant stepchild in the Department of Labor, we need to seriously develop a blueprint that reconsiders the entire notion of government-centered programs to help veterans get jobs in the private sector.

If Mr. Gates can be so blunt in crying out for a redesign, we can do no less for our veterans.

Statement of Mr. Wesley Poriotis
House Veterans' Affairs Subcommittee on Economic Opportunity
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This Committee needs to quickly and comprehensively evaluate the efficacy of outsourcing the VETS function, or at least significant parts of that function. An outsourced entity would be mandated to carry the veterans' employment football across the goal line. At present, the veterans' employment payload is simply not hitting the target.

It is like a boxer who moves deftly, jabs rapidly, and throws powerful uppercuts, but never actually hits its opponent. Unless we task people to go out and find the "hidden job market" among private sector employers, we will never succeed. Until they are measured by how many jobs they find for veterans, rather than how many daily tasks they perform, success will continue to elude us.

At the very least, I would recommend that this Committee authorize pilot programs that allow the private sector to infuse its knowledge, creativity, and energy into the noble task of finding high quality jobs for the men and women who have so honorably worn the uniform of our nation.

We know that in order to create jobs in our modern economy we have to unleash the talent and creativity of the private sector. Similarly, if we want to find quality new and existing jobs for veterans, we also need to unleash the private sector.

And, Mr. Chairman, like Teddy Roosevelt's famous political barnstorming, often called "a bully pulpit"....we need to be bold and reach out for a head of VETS like Jack Welch, former NY Stock Exchange Chairman Dick Grasso; UBS Paine Weber's Joe Grano; or a "Lou Gerstner" of IBM fame. Let the able administrators administer the internal workings of the Agency. For \$1.00 in salary and the capacity to leave a personal legacy for infusing the treasure of military service into the American business bloodstream, we can recruit a passionate corporate leader to head VETS and forge a bully pulpit for veterans' employment.

The above is not only possible; it is quite probable. These corporate leaders are worth hundreds of millions; are often without a new national mission; and because of the ego it took in the first place to get where they got, we can rechannel their prodigious energies and contacts to our cause.

Mr. Chairman, let me close with one of my favorite Yogi-isms: "when you come to a fork in the road, take it."

To put that another way, the Veterans Employment and Training Service is done; stick a fork in it, move on, and let's create a new public-private partnership to help veterans get quality jobs.

**TESTIMONY OF
JOHN M. McWILLIAM
DEPUTY ASSISTANT SECRETARY
FOR VETERANS' EMPLOYMENT AND TRAINING
U. S. DEPARTMENT OF LABOR
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
U. S. HOUSE OF REPRESENTATIVES**

May 12, 2005

Chairman Boozman, Ranking Member Herseth, and distinguished members of the Committee.

This hearing today provides us an opportunity to update you on our various programs, discuss our resource needs, review our state grants that fund the Disabled Veterans Outreach Program (DVOP) and Local Veterans Employment Representative (LVER) programs, and discuss the implementation of the Jobs for Veterans Act (P.L. 107-288).

Mr. Chairman, the Veterans Employment and Training Service (VETS) has the mission of providing veterans with the resources and services to succeed in the 21st century workforce by:

- Maximizing their employment opportunities,
- Protecting their employment rights, and
- Meeting labor market demands.

VETS is led by an Assistant Secretary and two Deputy Assistant Secretaries. One of those Deputies must be a career employee under the Jobs for Veterans Act (P.L. 107-288). I am honored to be the career Deputy. As you may know, VETS is primarily a field activity, with 82% of our staff located outside the National Office. We have six Regional Administrators who oversee ten Federal Regions. We also have Directors in every state and territory.

Our budget request for Fiscal Year 2006 totals \$224,334,000, and includes the following activities:

- Jobs for Veterans State Grants of \$162,415,000. These grants provide funding for the DVOP specialists and the LVER staff.
- Federal Administration of \$30,435,000. This activity includes the Federal workforce of 250 full time equivalent positions. This activity funds programs that include the provision of worldwide transition services to the military community and the protection of their reemployment rights. It also includes the training of veterans' employment and training professionals on a variety of employment services available to veterans through our National Veterans' Training Institute (NVTI).

- Homeless Veterans' Reintegration Program of \$22,000,000. These competitive grants fund employment programs that reach out to homeless veterans. Included in this amount is \$1,600,000 to support the Incarcerated Veterans' Transition Program (IVTP).
- Veterans' Workforce Investment Program (VWIP) of \$7,500,000. These competitive grants are currently undergoing a reorientation to reemphasize delivery of training and facilitation of occupational credentialing so that successful participants are prepared to meet employers' needs for workers in demand occupations within high-growth industries.

Jobs for Veterans State Grants

Mr. Chairman, under the Jobs for Veterans State Grants, the Secretary makes funds available to each state, upon approval of an "application" (i.e., a State Plan), to support the DVOP and LVER programs, which provide employment services to veterans, transitioning servicemembers, and eligible spouses. The funding available to each state reflects the ratio of the number of veterans seeking employment in each state to the number of veterans seeking employment in all states. This ratio has been implemented by regulation.

We provide guidance to the States on submission of their State Plan for the Jobs for Veteran Grants, or yearly modification of that plan as appropriate, by mid-April of each year. That guidance includes estimated funding amounts based on the funding formula results and budget estimates. States submit their plan, or modification, by August. Allocations, based on current budget documents, are sent to the States in October, or as available.

Our fiscal year 2005 funding level supports 2,334 DVOPs and LVERs located in the workforce investment system of One Stop Career Centers. Our Fiscal Year 2006 budget request will support the same number of DVOPs and LVERs. In Program Year 2003, which ended on June 30, 2004, we had an entered employment rate for veterans of 58% of those who are registered for employment assistance through the national workforce investment system. This means that approximately 700,000 veterans entered employment. This accounts for those veterans and returning servicemembers entering the workforce through the public labor exchange. In Fiscal Year 2005, we project that number to be 750,000 veterans, and for Fiscal Year 2006 we project 770,000.

One-Stop Employment Services and Priority of Service

The cornerstone of the workforce investment system is the network of One-Stop Career Centers, including more than 3,500 centers and affiliate sites. One-Stop Career Centers provide a wide range of employment and training related services that help employers find the skilled labor they seek and help ensure that job seekers find good jobs with good pay and career pathways in high-growth industries.

By connecting over 1.4 million veterans (200,000 of them disabled) to the workforce investment system in Program Year 2003 alone, One-Stop Career Centers are helping to provide the support veterans need to be successful and competitive in the 21st century workforce. The workforce investment system plays an important role in meeting employers' demands for a skilled workforce. The Workforce Investment Act of 1998 (WIA) was groundbreaking legislation that

sparked improvements in the delivery of employment and training services nationwide through its One-Stop delivery system. In addition, priority of service is available to veterans in all Department of Labor-funded employment and training programs, which was a significant reform under the Jobs for Veterans Act. Today, our challenge is to take those reforms a dramatic step further to promote further innovation, to strengthen the One-Stop Career Center system to better serve all workers and businesses, and to make the system even more responsive to the needs of local labor markets.

We must design a more flexible workforce investment system that empowers state and local officials to create workforce solutions customized to that area's workers and employers. We must make certain that outstanding plans for innovative strategies are not thwarted by the maze of conflicting funding streams, program eligibility requirements, reporting systems and performance measures.

This approach to workforce investment is at the heart of the President's proposal for job training reform. The centerpiece of the President's proposal, called "WIA Plus," is the consolidation of the WIA Adult, WIA Dislocated Worker, WIA Youth, and the Employment Service funding streams into a single grant to states. Governors would have the option of including additional programs, including Veterans Employment programs, into that single grant. Together, all of these programs represent over \$7.5 billion in Federal resources. The consolidated grant would have a single State Integration Plan and a single performance and reporting system, thereby simplifying planning and reporting requirements. While program-specific requirements will be minimized, drops in participant levels for targeted populations, such as veterans, will not be allowed. In addition, the veterans' priority of service provision that applies to all Department of Labor-funded programs will continue to apply, consistent with the Jobs for Veterans Act.

Veterans' Workforce Integration Program (VWIP)

The Veterans' Workforce Integration Program (VWIP) offers programs designed to provide intensive services to veterans with employment barriers. This is a competitively awarded grant program. Our Fiscal Year 2006 request will support a program of approximately 17 grantees serving 2,500 participants. One of the focus populations for this program is recently separated servicemembers. The resulting program will also consolidate models to offer services available through other VETS' programs (employment assistance, training and case management) to achieve an effective mix of interventions that lead to long term, higher wage and career potential jobs, and most importantly, meet demand by employers for skilled employees.

Transition Assistance Program

Since 1990, when the Department of Labor began providing TAP workshops, over one million separating and retiring military members have been given job preparation assistance. In general, servicemembers who have been on active duty for at least 180 days are eligible for TAP, and those separating due to disability are eligible regardless of the length of their active duty service.

TAP is a partnership between the Departments of Labor, Defense, Homeland Security, and Veterans Affairs. Title 10, U.S.C. Chapter 58, authorizes the Department of Labor to assist the

Departments of Defense (DOD) and Veterans Affairs (VA) in providing transition assistance services to separating servicemembers and their spouses. The role of the Department of Labor is to work through VETS to conduct as many employment preparation workshops as possible, based on projections made by each of the Armed Services and the Department of Homeland Security (U.S. Coast Guard).

VETS provides comprehensive workshops where participants learn about job searches, career decision-making, current occupational and labor market conditions, resume and cover letter preparation and interviewing techniques. Participants are also provided an evaluation of their employability relative to the job market. Components of a TAP workshop include:

- Personal Appraisal
- Career Exploration
- Strategies for an effective job search
- Interviews
- Reviewing job offers
- Other support and assistance

Public Law 108-183 added section 4113 to Title 38, U.S.C. Chapter 41 mandating VETS to provide TAP services at military installations overseas. Before this law took effect, DOD provided employment workshops at overseas military installations. Since this legislation was enacted, DOL provides the overseas employment workshops. VETS currently offers TAP workshops at 49 sites in Germany, the United Kingdom, Guam, Mainland Japan, Okinawa, Korea, and Italy. In FY 2004, 5,939 separating service personnel attended these workshops in 286 separate classes. VETS continues to expand additional overseas sites in FY 2005 and beyond. Our goal is to provide TAP at every location requested by the Armed Services.

State workforce veterans specialist staff are the primary source for TAP workshop facilitation stateside. However, because of the distances from many of the State Employment Offices to the military installations, and to assist with the rapid growth of the program, contract facilitators and VETS' Federal staff also assist with TAP.

Recovery and Employment Assistance Lifelines (REALifelines)

Mr. Chairman, I am sure you will agree that everyone who visits wounded soldiers -- whether at Walter Reed, at Bethesda, or other military hospitals around the country and around the world -- comes away with an overwhelming sense of pride, humility, and gratitude for the courage that these young men and women display as they confront the reality of their injuries. In these hospitals, many efforts are underway to do everything possible to help these wounded warriors recover from their injuries. And the Department of Labor recognizes that we too need to do everything we can to help them rebuild their lives.

Secretary Chao set out to do just that when she launched a new program last October at Walter Reed Army Medical Center. It is called the Recovery and Employment Assistance Lifelines or "REALifelines" Program.

The REALifelines program is the culmination of a collaborative planning process that began in November 2003 and has included participation from DOD and the VA, state governments, state workforce agencies, veteran service organizations, private employers, and even military service organizations like the USO. This program was built from the ground-up by service providers, by disabled veterans, and even veterans of the Gulf War and Operation Iraqi Freedom. The purpose of REALifelines is to provide wounded and injured servicemembers and their families with personal assistance to ensure a successful transition to civilian life and to prepare them for rewarding careers. In addition to assisting wounded and injured servicemembers, REALifelines makes job training and employment services available to spouses in families that have suffered an active duty casualty, as well as to family members who have temporarily left their jobs to be with their loved ones during recovery.

REALifelines representatives are currently stationed at Walter Reed Army Medical Center and Bethesda National Naval Medical Center, and new specialists have begun work with the 654th Medical Holding Company at Fort Lewis, Washington, and Fort Sam Houston in San Antonio, Texas. REALifelines representatives are state workforce system employees with experience in career coaching, case management, job searches, transition assistance, reemployment rights and crisis intervention. And because they are an integral part of the state workforce system in which that base or holding company is located, they have full knowledge of, and access to, One-Stop Career Center services, and become powerful advocates for priority of service. We are in the process of placing these employment representatives at additional military medical centers and medical holding companies.

The Department of Labor is also a key participant in the recently established DOD Military Severely Injured Joint Support Operations Center. We have an on-site, full-time REALifelines staff member to ensure the coordination of the full array of employment and training services provided through the workforce system, and have just added an employer-relations liaison to coordinate direct hiring by private sector employers. As you know, the Joint Center is also partnered with the Transportation Security Administration to ensure that those severely injured traverse our nations' airports in a safe, respectful and non-invasive manner.

The most important aspect of this program is person to person assistance. In an age where web and online utilities and technologies are gaining dominance over human interaction, it is our belief that there is still no substitute for direct person to person relationships – face to face as much as possible – when assisting people and families struggling with the challenges of wounds, injuries, crisis and post-traumatic reintegration. Therefore, the first task of REALifelines representatives is to establish for the servicemembers and their family a personal contact in their hometown community with whom they can begin to plan for their recovery and reemployment even before they are discharged from the military service. The REALifelines program looks first to the resources at hand, builds efficiency within those systems, and then works actively to fill gaps where they exist.

The greatest challenge we face is that of information collection and sharing. At present, we are tracking servicemembers through their voluntary enrollment in state employment systems and through follow-up calls made by the Job Accommodation Network, which has been operating a demonstration program to facilitate referral, outcome measures and problem resolution.

Our goal in partnership with DOD and the VA is to establish a joint database and shared processes for tracking and reporting outcomes. For this reason, we have placed staff at the Joint Operations Center and circulated recommendations for joint data elements both for servicemember employment profiles and for job information from hiring employers. Department of Labor participants are working daily with employment-focused working groups from the Joint Operations Center and the Army's Council of Colonels, which provides policy and leadership for the Disabled Soldier Support System. Our goal is to be able to share this valuable data at the federal level.

REALifelines is about closing the gaps between federal, state, local and private systems. It is about creating greater efficiency, being proactive, and assuring responsiveness to the needs of our returning wounded and injured servicemembers and their families. Our early successes are proving the value of this program. We are reducing the number of servicemembers returning home without jobs and we are reducing the number of servicemembers losing their jobs upon return. We have provided a practical, personal resource for servicemembers to address the biggest issue they will face outside of their recovery — their economic and career success.

New initiatives are being developed in partnership with DOD and the VA, such as mentorship and federal internship opportunities. The Department of Labor intends to be a model in federal hiring and in the provision of mentorship opportunities for servicemembers during their recovery. We believe that opportunity is a very powerful and effective tool for recovery and reintegration.

National Guard and Reserve

Mr. Chairman, the world has changed dramatically since the attacks of September 11, 2001, and the commencement of the Global War on Terrorism. Our worldwide military commitments have necessitated a mobilization of National Guard and Reserve members that is unprecedented in modern times.

The use of the National Guard and Reserves has increased dramatically in recent years, with more called to active duty than at any other time since the Korean War. Over 485,000 men and women of the National Guard and Reserve components have been called to active duty since September 2001. Over 310,000 of these "citizen-soldiers" have returned and been demobilized or separated from the military. The Bush Administration is deeply committed to protecting the reemployment rights of the Guardsmen and Reservists who so bravely serve America in Iraq, Afghanistan and around the world. To this end, the Department administers and enforces the Uniformed Services Employment and Reemployment Rights Act (USERRA), which provides reemployment rights following qualifying military service and prohibits employer discrimination against those who perform military service. The Department of Justice and the Office of the Special Counsel are also charged with enforcing USERRA.

Our servicemembers deserve the peace of mind that comes with knowing that upon their return from military service, they will be entitled to prompt reemployment in the position that they would have held had they been continuously employed by the civilian employer during their

period of service, or in some cases to a comparable position, including all attendant benefits. Our strong commitment to supporting our citizen-soldiers is underscored by the development, for the first time, of comprehensive regulations on USERRA. These regulations will provide an authoritative interpretation of the law and procedures for enforcement and will serve to improve USERRA compliance. The proposed regulations were published for comment in the *Federal Register* on Monday, September 20, 2004, and it is anticipated that final regulations will be published this year.

Since the attacks of September 11, 2001, our staff has conducted briefings and provided technical assistance to over 240,000 people and groups on their rights and responsibilities under USERRA. Audiences include National Guard and Reserve units, employer groups, and the media. While we endeavor to brief each returning servicemember on their reemployment rights, we know that, with extended mobilizations, there is also a need to provide more comprehensive transition assistance.

As a result, we have been working with the National Guard and Reserve on providing TAP services to these returning servicemembers in many states on an informal and as needed basis. In this regard, three Reserve Component TAP demonstration programs are underway in Oregon, Michigan and Minnesota. The idea behind the Reserve Component TAP demonstrations is to work with returning units and provide a flexible format that allows for a tailored transition assistance package that meets local demands. The approach in each location is unique and locations are selected where there is a compelling need for these workshops. Once we evaluate the success of these programs and review any feedback from participants, we will work with the National Guard Bureau and Office of the Chief of Army Reserve to create flexible models that can be adapted to fit any situation.

DOD-DOL MOU

The Department of Labor has also implemented a memorandum of understanding (MOU) with DOD that identified 16 priorities in the areas of military recruitment, retention, and re-entry into the civilian workforce. The MOU focuses on collaborative efforts to improve the quality of life for servicemembers, their families and the American labor force as a whole. Some of these enhancements to service delivery have already been mentioned.

A significant accomplishment not previously discussed is the expanded Military Spouse Resource Center – www.Milspouse.org – the most complete military spouse and family member employment portal on the Web. The MOU has also helped develop sustainable, long-term partnerships between DOD installation family centers and Department of Labor-administered One-Stop Career Centers.

The new MilSpouse web site contains a Career Coach that guides users to information based on key problems often facing spouses, such as no work experience outside of the home, coming from overseas, or seeking training in careers that are more portable, i.e. nursing and teaching.

Under the efforts of the MOU, the Department of Labor clarified that military spouses who leave their jobs to follow their spouses are eligible for services as dislocated workers. This guidance,

provided to the workforce system in March of this year, provides military spouses with greater access to training at One-Stop Career Centers.

Of particular interest for transitioning veterans, the Department of Labor is very close to launching a Credentialing Portal developed under the MOU, on its America's Career InfoNet web site. The Credentialing Portal will bring together five existing web resources housed in separate locations into a single web site to aid re-entering military personnel, military spouses, and also civilian personnel in readily finding information on occupational qualifications and credentialing requirements.

Vocational Rehabilitation and Employment (VR&E)

Mr. Chairman, we are aware of this committee's interest in our collaboration with the VA in the area of vocational rehabilitation and employment. We are pleased to report that we have a strong working relationship with the VA in several areas, including its Office of Vocational Rehabilitation and Employment (VR&E). We are active participants in the Veterans Advisory Committee on Rehabilitation (VACOR). This committee reviews and makes recommendations to the Secretary of Veterans Affairs on all rehabilitation issues, including those affecting policies and programs administered by VR&E. VETS participated on the VR&E Task Force on Vocational Rehabilitation that developed the "5 Track System" currently being tested at four VA Regional Offices.

In addition, we have initiated a study to evaluate how well the VR&E referral process is working. We will determine the success in terms of employment and retention of disabled veterans who are referred by VR&E to the DVOP specialists and registered with the Public Labor Exchange. The study will help in determining future service delivery strategies for this targeted population.

Homeless Veterans Reintegration Program (HVRP)

The Homeless Veterans Reintegration Program (HVRP) provides grants to States or other public entities and non-profits, including faith- and community-based organizations, to operate employment programs that reach out to homeless veterans and help them become employed and self-sufficient. These competitive grants are provided for both urban and non-urban areas. Several are focused on helping incarcerated veterans.

Our Fiscal Year 2006 request would fund 92 grantees, an increase from FY 2005 of seven. We estimate that over 16,000 homeless veterans will be served by HVRP grant recipients with approximately 10,000 homeless veterans entering employment. .

During Fiscal Year 2004, the HVRP also funded Standdown activities at 28 locations. These are multi-day events where homeless veterans are provided medical treatment, screened for VA benefit eligibility, and identified for employment case management by DVOPs and LVERs. On average, over 250 homeless veterans were served at each of these Standdown events.

Also funded under this activity is the Incarcerated Veterans Transition Program (IVTP). This pilot program at eight locations is intended to facilitate the transition of soon to be released and recently released veterans back into society and ultimately into the workforce.

Employer Outreach and the President's National Hire Veterans Committee

The Jobs for Veterans Act established the President's National Hire Veterans Committee, which was announced by Secretary Chao in February, 2004. There are 21 members who are reaching out to employers to make veterans more visible in our 21st century workforce.

This committee is responsible for raising awareness among employers on the advantages of hiring veterans and transitioning military members. Last year, the committee launched a national campaign designed to drive employers to One-Stop Career Centers and to reinforce the outreach efforts of our LVERs and DVOPs. The committee has also reached out to Governors, and to date, 30 gubernatorial proclamations have been announced declaring HireVetsFirst months in their respective states. We expect all states will announce these proclamations by the end of FY 2005. The Committee has also forged significant strategic partnerships with major American businesses and corporations.

The message of this campaign is simple; it is good business to hire a veteran, and it's a message the President's National Hire Veterans Committee is carrying all across America to employers and veterans.

Summary

The Department of Labor leads a workforce investment system that provides veterans and other job seekers with access to training so that they can gain the skills demanded by employers and succeed in the labor market. To this end, we have initiated a number of efforts that provide needed assistance to veterans, servicemembers, and military spouses. We look forward to working with this Committee as we continue to serve those who have served. I will be pleased to respond to your questions.

U.S. Department of Labor

Assistant Secretary for
Veteran's Employment and Training
Washington, D.C. 20210



AUG 10 2005

The Honorable Lane Evans
Ranking Member
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Evans:

This is in response to your letter containing questions from Congresswoman Herseth following the oversight hearing on the U.S. Department of Labor's Veterans' Employment and Training Service (VETS) held on May 12, 2005. The questions and responses are listed on the following pages. Thank you for providing us the opportunity to respond to your concerns.

Sincerely,

Charles S. Ciccolella
Charles S. Ciccolella

Enclosure

2005 ABS 16 12 3 4

QUESTIONS FOR THE DEPARTMENT OF LABOR
FROM THE HONORABLE STEPHANIE HERSETH

1. Last year the Appropriations Committees in both the House and Senate issued parallel instructions to the Department of Labor (See, H. Rept. 108-636, S. Rept. 108-345) regarding several veterans' employment and training topics, including adding a module on homelessness prevention to the TAP curriculum; out-stationing of DVOP/LVERS to HVRP grantee sites; and implementing the Jobs for Veterans priority of service mandate.

- What steps has the Department taken to implement these instructions?
- When does the Department estimate completion of these instructions?
- Specifically, has the Department issued guidance to state workforce agencies about the out-stationing of DVOPS and LVERs in locations where homeless veterans congregate?
- What steps has the Department taken to implement and provide guidance with respect to the priority of service initiative?

The Department's Veterans Employment and Training Service is in the final stages of development of a guide for assisting veterans service organizations and homeless veteran service providers. This guide includes information on accessing workforce investment funds and workforce investment planning processes, as instructed. We expect this guide to be available and distributed in the near future.

The Department presented the issue of incorporating homelessness prevention into the TAP curriculum to the intergovernmental TAP Steering Committee. Given the time constraints of presenting the current volume of information to servicemembers in a TAP Employment Workshop, the guidance of the Steering Committee was sought to determine how best to provide this information. The Steering Committee continues to explore this issue. We will update you as soon as we obtain the recommendations of the Steering Committee.

With respect to guidance to state workforce agencies about the out-stationing of DVOPS and LVERs in locations where homeless veterans congregate, as early as September 2002, VETS issued guidance to state workforce agencies on the revised roles and responsibilities of the DVOP specialists and LVER staff. Included in these responsibilities is the carrying out of outreach activity in coordination with the state and local employment offices as well as community-based organizations in order to locate any veteran in need of employment assistance. Through this directive, DVOP specialists and LVER staff work closely with local organizations to provide needed outreach to homeless veterans.

Further, to benefit from the full array of the Department's employment and training programs, grantees of the Department's Homeless Veterans Reintegration Program (HVRP) grant work closely with DVOP specialists and LVER staff at One-Stop Career Centers. This coordination is specifically required of grantees in receipt of HVRP funds.

The Department continues to move forward on implementing the priority of service provision of the Jobs for Veterans' Act. General guidance was issued on September 13, 2003 to states and other Department of Labor funded workforce investment system partners on the veterans' priority provisions. All Department of Labor agencies with programs impacted by the priority of service provisions continue to develop program-specific policy guidance to assist service providers in establishing priority of service in their programs. In addition, priority language was issued to outstanding grant agreements and continues to be included in new Solicitations for Grant Applications.

2. Please specifically clarify for the record the process by which DoL-VETS provides resources to the President's National Hire Veterans Committee (PNHVC); and please state whether any funds have been diverted from DVOP/LVER state grants for such purpose?

VETS uses funds from the Employment Security Administration Account in the Unemployment Trust Funds to support the President's National Hire Veterans Committee (PNHVC). These funds are identified in two activities within the VETS budget. The State Administration Activity (Jobs for Veterans DVOP/LVER State Grants), through Intergovernmental Personnel Agreements with several states, funds the expenses (salaries, benefits, travel, etc.) for veteran program specialists who assist

the PNHVC in raising awareness in the specialist's home state and several surrounding states. The Federal Administration Activity funds the remaining expenses of the PNHVC, to include nation wide marketing, Federal staff salaries and benefits, and the travel of the Committee members to PNHVC meetings.

In Fiscal Year 2005, we project these expenses as follows:

State Administration:	\$ 362,713
Federal Administration:	<u>\$ 876,250</u>
Total:	\$1,238,963

3. Does DOL recommend that Congress extend the authorization of the PNHVC?

We believe that the President's National Hire Veterans Committee (PNHVC) is fulfilling its mandates of raising employer awareness and improving the connectivity of employers with the One Stop Career Centers. The Administration has not taken a

position on the extension of the PNHVC. If the Committee decides to reauthorize the PNHVC, we will work to make it as effective as possible in expanding job opportunities for veterans.

4. Does DOL plan to promulgate regulations on the "priority of service" mandate with the Jobs for Veterans Act?

The Department has determined the most efficient way to implement the "priority of service" mandate of the Jobs for Veterans Act is by policy guidance. This guidance was issued in September 2003.

5. What efforts has VETS made to provide outreach to returning National Guard and Reserve personnel?

The Department is constantly seeking new and innovative ways to enhance our outreach activities to returning National Guard and Reserve personnel. Since the attacks of September 11, 2001, VETS staff has conducted briefings and provided technical assistance to over 240,000 people and groups on the rights and responsibilities under the Uniformed Services Employment and Reemployment Rights Act (USERRA). Most of these briefings were for members of mobilized Guard and Reserve units, but we have also reached many employers and employer groups. The Department will continue to include USERRA in its internet based Employment Laws Assistance for Workers and Small Businesses (elaws) Advisor program, which provides interactive Advisors for USERRA, the Family and Medical Leave Act (FMLA), and Veterans' Preference, as well as other major laws administered by the Department. Additionally, the e-Vets Resource Advisor, a portal site to numerous Web sites with information and resources helpful to veterans, including information pertaining to the FMLA, is available through the VETS homepage as well as through the elaws homepage on the DOL Website.

While we endeavor to brief each returning service member on their reemployment rights, we know that, with extended mobilizations, there is also a need to provide more comprehensive transition assistance. Toward this effort, we have been working with the National Guard and Reserve on providing TAP employment workshops to these returning service members. Recently, we launched three formal Reserve Component TAP demonstration programs in Oregon, Michigan and Minnesota, where there was a compelling need for these workshops. The idea behind the Reserve Component TAP demonstrations is to work with returning units and provide a flexible format that allows for a tailored transition assistance package that meets local demands. We have also conducted TAP workshops for Guard and Reserve members on an informal basis in several other states. The approach in each location is unique. Once we evaluate the

success of these programs and review any feedback from participants, we will work with the National Guard Bureau and Office of the Chief of Army Reserve to create flexible models that can be adapted to fit any situation.

6. Does VETS have the necessary resources to provide top-quality services to all eligible veterans who may want employment and or transition services?

The Department has requested \$224.3 million in the FY 2006 budget for VETS to continue ensuring that veterans returning home are re-employed with the same seniority, status, pay and benefits they had when they were deployed. This request provides for the necessary resources for VETS to ensure the provision of top-quality services to all eligible veterans who may want employment and or transition services.

○